

STRATEGIC REPORT, REPORT OF THE DIRECTOR AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 2ND JANUARY 2020  
FOR  
ARKAY WINDOWS LIMITED

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FOR THE YEAR ENDED 2ND JANUARY 2020

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**DIRECTOR:** Mr R R Radia

**REGISTERED OFFICE:** 573 - 575 Lordship Lane  
Woodgreen  
London  
N22 5LE

**REGISTERED NUMBER:** 01238359 (England and Wales)

**AUDITORS:** PSJ Alexander & Co  
Chartered Accountants & Statutory Auditors  
1 Doughty Street  
London  
WC1N 2PH

**BANKERS:** Barclays Bank Plc

STRATEGIC REPORT  
FOR THE YEAR ENDED 2ND JANUARY 2020

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The director presents his strategic report for the year ended 2nd January 2020.

**REVIEW OF BUSINESS**

The company's performance during the period ended 2nd January 2019 was satisfactory. Key performance indicators were as follows:

	Current	Comparative
Sales	£13,738,000	£12,646,000
GP Margin	25.7%	26.1%
Profit after tax	£824,000	£1,471,000

The company continued to face increasing competition in the double-glazing window business. However, despite the tough market conditions, the company has been able to retain its major customers.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Principal risks and uncertainties the business have are as follows:

The company's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors and hire purchase creditors. The main purpose of these instruments is to fund the company's ongoing working capital. Due to the nature of these instruments the company is not exposed to price risk. The company's approach to managing other risks applicable to these finance instruments concerned is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the funding requirements to support operational and other activities and the banking facilities available from the banker. The company's liquidity risk management includes short-term cash projections and considering the level of liquid assets in relation thereto, and monitoring balance sheet liquidity on a frequent basis.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by balancing purchases in line with sales and by ensuring sufficient funds are available to meet amounts due.

**Brexit**

The United Kingdom is due to leave the European Union. An agreement on the UK's exit is still under negotiation by the UK Government and the European Union and therefore the impact this will have on the business is not yet clearly visible.

The Company purchases a small percentage of raw material from Europe directly and a more significant amount of from UK based companies but which have their supply lines in Europe. There may be short term issues with supply lead times which could be offset by adjusting stock levels. The terms of the UK exit could impact the method of import, taxes and tariffs associated with aluminium. The Construction Industry also relies on European Labour, and hence impact us.

**ON BEHALF OF THE BOARD:**

Mr R R Radia - Director

24th December 2020

REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 2ND JANUARY 2020

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The director presents his report with the financial statements of the company for the year ended 2nd January 2020.

**PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were those of manufacturing and installation of double-glazed windows.

**DIVIDENDS**

There was no dividend payment during the year (2019: £282,000).

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTOR**

Mr R R Radia held office during the whole of the period from 3rd January 2019 to the date of this report.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, PSJ Alexander & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

Mr R R Radia - Director

24th December 2020

### **Opinion**

We have audited the financial statements of Arkay Windows Limited (the 'company') for the year ended 2nd January 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 2nd January 2020 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

**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 or the Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of director**

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

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 a Report of the Auditors 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.

Manesh Shah (Senior Statutory Auditor)  
for and on behalf of PSJ Alexander & Co  
Chartered Accountants & Statutory Auditors  
1 Doughty Street  
London  
WC1N 2PH

24th December 2020

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 2ND JANUARY 2020

	Notes	2020 £	£	2019 £	£
<b>TURNOVER</b>			<b>13,738,056</b>		12,645,597
Cost of sales			<b>10,204,901</b>		9,348,689
<b>GROSS PROFIT</b>			<b>3,533,155</b>		3,296,908
Administrative expenses			<b>2,631,311</b>		1,613,366
			<b>901,844</b>		1,683,542
Other operating income			<b>37,181</b>		36,000
<b>OPERATING PROFIT</b>	4		<b>939,025</b>		1,719,542
Income from fixed asset investments		37		-	
Interest receivable and similar income		<b>13,571</b>		<b>6,430</b>	
			<b>13,608</b>		6,430
			<b>952,633</b>		1,725,972
Gain/loss on revaluation of investments			<b>2,052</b>		(5,148)
			<b>954,685</b>		1,720,824
Interest payable and similar expenses	5		<b>7,914</b>		5,433
<b>PROFIT BEFORE TAXATION</b>			<b>946,771</b>		1,715,391
Tax on profit	6		<b>140,511</b>		244,024
<b>PROFIT FOR THE FINANCIAL YEAR</b>			<b>806,260</b>		1,471,367
<b>OTHER COMPREHENSIVE INCOME</b>			<b>-</b>		-
<b>TOTAL COMPREHENSIVE INCOME</b>			<b>-</b>		-
<b>FOR THE YEAR</b>			<b>806,260</b>		1,471,367

The notes form part of these financial statements



BALANCE SHEET  
2ND JANUARY 2020

		2020	2019
	Notes	£	£
<b>FIXED ASSETS</b>			
Intangible assets	8	1	1
Tangible assets	9	771,444	622,315
Investments	10	111,708	109,831
Investment property	11	-	1
		<u>883,153</u>	<u>732,148</u>
<b>CURRENT ASSETS</b>			
Stocks	12	1,341,592	1,260,429
Debtors	13	3,088,744	2,832,744
Cash at bank and in hand		<u>2,914,355</u>	<u>2,834,628</u>
		<u>7,344,691</u>	<u>6,927,801</u>
<b>CREDITORS</b>			
Amounts falling due within one year	14	<u>2,404,294</u>	<u>2,709,132</u>
<b>NET CURRENT ASSETS</b>		<u>4,940,397</u>	<u>4,218,669</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,823,550</u>	<u>4,950,817</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	(87,875)	(39,402)
<b>PROVISIONS FOR LIABILITIES</b>	18	<u>(103,000)</u>	<u>(85,000)</u>
<b>NET ASSETS</b>		<u>5,632,675</u>	<u>4,826,415</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	180,000	180,000
Retained earnings	20	<u>5,452,675</u>	<u>4,646,415</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>5,632,675</u>	<u>4,826,415</u>

The financial statements were approved by the director and authorised for issue on 24th December 2020 and were signed by:

Mr R R Radia - Director

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 2ND JANUARY 2020

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Revaluation reserve £</b>	<b>Total equity £</b>
<b>Balance at 3rd January 2018</b>	180,000	3,457,048	441,770	4,078,818
<b>Changes in equity</b>				
Dividends	-	(282,000)	-	(282,000)
Total comprehensive income	-	1,471,367	(441,770)	1,029,597
<b>Balance at 2nd January 2019</b>	180,000	4,646,415	-	4,826,415
<b>Changes in equity</b>				
Total comprehensive income	-	806,260	-	806,260
<b>Balance at 2nd January 2020</b>	180,000	5,452,675	-	5,632,675

The notes form part of these financial statements

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 2ND JANUARY 2020

		2020	2019
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	25	553,061	1,011,016
Interest element of hire purchase payments paid		(7,914)	(5,433)
Tax paid		(217,069)	(205,466)
Net cash from operating activities		<u>328,078</u>	<u>800,117</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(119,735)	(180,586)
Purchase of fixed asset investments		(26,988)	(107,647)
Sale of tangible fixed assets		5,940	-
Sale of fixed asset investments		26,686	108,282
Interest received		13,571	6,430
Dividends received		37	-
Net cash from investing activities		<u>(100,489)</u>	<u>(173,521)</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		(129,842)	(73,881)
Amount withdrawn by directors		-	3,675
Loan provided to parent company		(17,583)	(176,328)
Loan provided to ultimate parent company		(437)	-
Net cash from financing activities		<u>(147,862)</u>	<u>(246,534)</u>
<b>Increase in cash and cash equivalents</b>		<u>79,727</u>	<u>380,062</u>
<b>Cash and cash equivalents at beginning of year</b>	26	2,834,628	2,454,566
<b>Cash and cash equivalents at end of year</b>	26	<u>2,914,355</u>	<u>2,834,628</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 2ND JANUARY 2020

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1. **STATUTORY INFORMATION**

Arkay Windows Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**Going Concern**

As at 2nd January 2020, the company has net current assets of £4,940,397 (2019: £4,218,669) and net assets of £5,650,675 (2019: £4,826,415). Based on the latest management accounts, the Company has sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements. The Company's performance to-date despite the enforced constraints during the pandemic means that the Director is confident, that should the pandemic and the threat of further lockdowns continue into 2021, it poses no significant going concern risk to the Company. Consequently, these financial statements have been prepared on a going concern basis.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Goodwill**

Goodwill being the amount paid in connection with the acquisition of a business is being written off evenly over its useful life of 10 years.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on cost

**Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 2ND JANUARY 2020**2. ACCOUNTING POLICIES - continued****Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Investments**

Fixed assets investments are stated at historical cost less any provision for permanent diminution in value.

**3. EMPLOYEES AND DIRECTORS**

	2020	2019
	£	£
Wages and salaries	2,514,237	2,167,456
Social security costs	127,445	107,809
Other pension costs	27,362	14,927
	<u>2,669,044</u>	<u>2,290,192</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 2ND JANUARY 2020**3. EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	2020	2019
Sales	4	3
Production	60	56
Administrative	25	23
	<u>89</u>	<u>82</u>
	2020	2019
	£	£
Director's remuneration	<u>49,922</u>	<u>49,574</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Hire of plant and machinery	24,458	28,995
Other operating leases	430,411	353,387
Depreciation - owned assets	105,593	102,326
Depreciation - assets on hire purchase contracts	46,744	29,297
Profit on disposal of fixed assets	(2,193)	(689,050)
Audit fees	<u>26,580</u>	<u>38,735</u>

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020	2019
	£	£
Hire purchase	<u>7,914</u>	<u>5,433</u>

**6. TAXATION****Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2020	2019
	£	£
Current tax:		
UK corporation tax	122,511	244,024
Deferred taxation	<u>18,000</u>	<u>-</u>
Tax on profit	<u>140,511</u>	<u>244,024</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 2ND JANUARY 2020**6. TAXATION - continued****Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £	2019 £
Profit before tax	<u>946,771</u>	<u>1,715,391</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	179,886	325,924
Effects of:		
Expenses not deductible for tax purposes	270	952
Income not taxable for tax purposes	-	(131,897)
Capital allowances in excess of depreciation	(22,809)	-
Depreciation in excess of capital allowances	-	17,906
Adjustments to tax charge in respect of previous periods	(34,836)	31,139
Deferred tax provision	18,000	-
Total tax charge	<u>140,511</u>	<u>244,024</u>

**7. DIVIDENDS**

	2020 £	2019 £
Ordinary Share shares of £1 each		
Final	<u>-</u>	<u>282,000</u>

**8. INTANGIBLE FIXED ASSETS**

	Goodwill £
<b>COST</b>	
At 3rd January 2019 and 2nd January 2020	<u>53,543</u>
<b>AMORTISATION</b>	
At 3rd January 2019 and 2nd January 2020	<u>53,542</u>
<b>NET BOOK VALUE</b>	
At 2nd January 2020	<u>1</u>
At 2nd January 2019	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 2ND JANUARY 2020

## 9. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 3rd January 2019	90,912	1,153,535	173,578
Additions	-	190,817	14,015
Disposals	-	-	-
At 2nd January 2020	<u>90,912</u>	<u>1,344,352</u>	<u>187,593</u>
<b>DEPRECIATION</b>			
At 3rd January 2019	29,912	767,964	116,345
Charge for year	6,537	74,532	10,018
Eliminated on disposal	-	-	-
At 2nd January 2020	<u>36,449</u>	<u>842,496</u>	<u>126,363</u>
<b>NET BOOK VALUE</b>			
At 2nd January 2020	<u>54,463</u>	<u>501,856</u>	<u>61,230</u>
At 2nd January 2019	<u>61,000</u>	<u>385,571</u>	<u>57,233</u>
	<b>Motor vehicles £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>			
At 3rd January 2019	74,806	146,824	1,639,655
Additions	28,072	71,831	304,735
Disposals	(12,098)	-	(12,098)
At 2nd January 2020	<u>90,780</u>	<u>218,655</u>	<u>1,932,292</u>
<b>DEPRECIATION</b>			
At 3rd January 2019	33,636	69,483	1,017,340
Charge for year	16,911	44,338	152,336
Eliminated on disposal	(8,828)	-	(8,828)
At 2nd January 2020	<u>41,719</u>	<u>113,821</u>	<u>1,160,848</u>
<b>NET BOOK VALUE</b>			
At 2nd January 2020	<u>49,061</u>	<u>104,834</u>	<u>771,444</u>
At 2nd January 2019	<u>41,170</u>	<u>77,341</u>	<u>622,315</u>



NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 2ND JANUARY 20209. **TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST</b>			
At 3rd January 2019	214,700	50,708	265,408
Additions	185,000	-	185,000
Reclassification/transfer	(46,700)	(26,958)	(73,658)
At 2nd January 2020	<u>353,000</u>	<u>23,750</u>	<u>376,750</u>
<b>DEPRECIATION</b>			
At 3rd January 2019	64,794	18,428	83,222
Charge for year	38,674	8,070	46,744
Reclassification/transfer	(22,454)	(20,561)	(43,015)
At 2nd January 2020	<u>81,014</u>	<u>5,937</u>	<u>86,951</u>
<b>NET BOOK VALUE</b>			
At 2nd January 2020	<u>271,986</u>	<u>17,813</u>	<u>289,799</u>
At 2nd January 2019	<u>149,906</u>	<u>32,280</u>	<u>182,186</u>

10. **FIXED ASSET INVESTMENTS**

	<b>Shares in group undertakings £</b>	<b>Unlisted investments £</b>	<b>Totals £</b>
<b>COST OR VALUATION</b>			
At 3rd January 2019	70	109,761	109,831
Additions	-	26,988	26,988
Disposals	-	(27,163)	(27,163)
Revaluations	-	2,052	2,052
At 2nd January 2020	<u>70</u>	<u>111,638</u>	<u>111,708</u>
<b>NET BOOK VALUE</b>			
At 2nd January 2020	<u>70</u>	<u>111,638</u>	<u>111,708</u>
At 2nd January 2019	<u>70</u>	<u>109,761</u>	<u>109,831</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**Buildex Products Ltd**

Registered office:

Nature of business: Dormant

Class of shares:

Ordinary

%  
holding  
70.00

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 2ND JANUARY 2020**11. INVESTMENT PROPERTY**

	<b>Total £</b>
<b>FAIR VALUE</b>	
At 3rd January 2019 and 2nd January 2020	<u>1</u>
<b>DEPRECIATION</b>	
Charge for year	<u>1</u>
At 2nd January 2020	<u>1</u>
<b>NET BOOK VALUE</b>	
At 2nd January 2020	<u>-</u>
At 2nd January 2019	<u>1</u>

The investment property was valued on an open market basis on 2d January 2020 by the Director.

**12. STOCKS**

	<b>2020 £</b>	2019 £
Raw materials	<b>1,199,066</b>	1,050,685
Work-in-progress	<b>31,341</b>	45,619
Finished goods	<b>111,185</b>	164,125
	<u><b>1,341,592</b></u>	<u>1,260,429</u>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2020 £</b>	2019 £
Trade debtors	<b>1,923,147</b>	1,530,719
Amounts owed by group undertakings	<b>763,726</b>	745,707
Other debtors	<b>216,305</b>	98,409
Prepayments and accrued income	<b>185,566</b>	457,909
	<u><b>3,088,744</b></u>	<u>2,832,744</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2020 £</b>	2019 £
Hire purchase contracts (see note 16)	<b>85,653</b>	78,968
Trade creditors	<b>1,676,665</b>	1,766,837
Taxation	<b>150,000</b>	244,558
Social security and other taxes	<b>60,148</b>	58,441
VAT	<b>261,971</b>	274,745
Other creditors	<b>139,845</b>	203,225
Accrued expenses	<b>30,012</b>	82,358
	<u><b>2,404,294</b></u>	<u>2,709,132</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 2ND JANUARY 2020**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2020</b>	2019
	£	£
Hire purchase contracts (see note 16)	<u>87,875</u>	<u>39,402</u>

**16. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	<b>Hire purchase contracts</b>	
	<b>2020</b>	2019
	£	£
Net obligations repayable:		
Within one year	85,653	78,968
Between one and five years	<u>87,875</u>	<u>39,402</u>
	<u>173,528</u>	<u>118,370</u>
	<b>Non-cancellable</b>	<b>operating leases</b>
	<b>2020</b>	2019
	£	£
Within one year	337,988	449,500
Between one and five years	<u>420,580</u>	<u>691,086</u>
	<u>758,568</u>	<u>1,140,586</u>

**17. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>2020</b>	2019
	£	£
Hire purchase contracts	<u>173,528</u>	<u>118,370</u>

The company has an overdraft facility in place which is secured by a floating charge on the Company's assets.

Hire Purchase and finance lease creditors are secured on the respective assets.

**18. PROVISIONS FOR LIABILITIES**

	<b>2020</b>	2019
	£	£
Deferred tax		
Accelerated capital allowances	<u>103,000</u>	<u>85,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 2ND JANUARY 2020

## 18. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 3rd January 2019	85,000
Provided during year	18,000
Movement for the year	
Balance at 2nd January 2020	<u>103,000</u>

## 19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal	2020	2019
Number:	Class:	value:	£	£
180,000	Ordinary Share	£1	<u>180,000</u>	<u>180,000</u>

## 20. RESERVES

	Retained earnings £
At 3rd January 2019	4,646,415
Profit for the year	806,260
At 2nd January 2020	<u>5,452,675</u>

## 21. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Arkay Group Limited. The ultimate parent undertaking is Arkay Group London Limited.

## 22. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 2nd January 2020 and 2nd January 2019:

	2020 £	2019 £
<b>Mr R R Radia</b>		
Balance outstanding at start of year	-	3,675
Amounts advanced	-	91,025
Amounts repaid	-	(94,700)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>-</u>

**23. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Fine Point Glass Limited ('FPG')**

Common director and shareholder

The company undertook the following transactions with Fine Point Glass Limited ('FPG') during the year:

	2020	2019
£	£	
Sales	775,991	691,724
Recharge of expenses	29,416	40,809
Rent charged to FPG	36,000	36,000
Loan provided during the year	-	30,000
Trade balance due from related party at the balance sheet date	1,094,779	348,721

As disclosed in Note 24 to the financial statements, the Company agreed to convert £800,000 of trade balances owed by Fine Point Glass Limited into 800,000 Class A Ordinary Shares of £1 each after the year-end. Following this, Arkay Windows Limited became the majority shareholder of Fine Point Glass Limited.

**Arkay Contractors Limited**

Common director and shareholder

The company undertook the following transactions with Arkay Contractors Limited during the year:

	2020	2019
£	£	
Sales	1,172,775	1,084,174
Recharge of expenses	44,253	52,384
Loan interest received	3,275	-
Trade balance due from related party at the balance sheet date	140,314	239,776
Loan balance due from related party at the balance sheet date	203,768	-

During the year, a loan balance of £199,843 owed by Better Outdoors Limited was assigned to Arkay Contractors Limited.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 2ND JANUARY 2020**23. RELATED PARTY DISCLOSURES - continued****Better Outdoors Limited**

Common director and shareholder

The company undertook the following transactions with Better Outdoors Limited during the year:

		2020	2019
	£	£	
Sales		32,440	12,145
Other income		4,324	-
Purchases		7,141	-
Expenses paid on its behalf		130,662	56,028
Loan interest received		3,275	-
Net balance due from the related party at balance sheet date		30,295	67,866

During the year, a loan balance of £199,843 owed by Better Outdoors Limited was assigned to Arkay Contractors Limited.

**24. POST BALANCE SHEET EVENTS****Covid-19 Pandemic**

Subsequent to balance sheet date, the World Health Organisation has declared Corona Virus (Covid-19) as a pandemic. The outbreak of Corona Virus (Covid-19) has become widely known, and has led to significant disruptions to business, economic and other activities throughout the world. Businesses are being forced to cease or limit operations for indeterminable periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets and few commodity prices have experienced great volatility and significant weakening.

The production was closed for few weeks during the first lockdown in March/April 2020 and the Company was able to resume trading with social distancing and other measures in place. Management expects the revenue to be 5%-10% lower than the year ended 2nd January 2020.

The Company has determined that these events are non-adjusting subsequent events. Accordingly, these financial statements have not been adjusted to reflect their possible impact. The duration and impact of the COVID-19 pandemic in the short to medium term remains unclear at this time, although few countries around the world has already started vaccination process.

**Fine Point Glass Limited**

In December 2020, the Company agreed to convert £800,000 of trade balances owed by Fine Point Glass Limited into 800,000 Class A Ordinary Shares of £1 each. Following this, Arkay Windows Limited became the majority shareholder of Fine Point Glass Limited.

Management intends to take advantage of synergies within the new group and expects the latter's business to be a profitable. For this reason, no impairment provision is being made.

**25. ULTIMATE CONTROLLING PARTY**

The company was controlled throughout the previous year and up to 12th December 2019 by Mr R R Radia and his close family member.

As from 12th December 2019, Mr R R Radia become the ultimate controlling party.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 2ND JANUARY 2020**26. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	<b>2020</b>	2019
	£	£
Profit before taxation	<b>946,771</b>	1,715,391
Depreciation charges	<b>152,338</b>	131,624
Profit on disposal of fixed assets	<b>(2,193)</b>	(689,050)
(Gain)/loss on revaluation of fixed assets	<b>(2,052)</b>	5,148
Finance costs	<b>7,914</b>	5,433
Finance income	<b>(13,608)</b>	(6,430)
	<b>1,089,170</b>	1,162,116
Increase in stocks	<b>(81,163)</b>	(460,557)
Increase in trade and other debtors	<b>(237,981)</b>	(620,627)
(Decrease)/increase in trade and other creditors	<b>(216,965)</b>	930,084
<b>Cash generated from operations</b>	<b><u>553,061</u></b>	<b><u>1,011,016</u></b>

**27. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 2nd January 2020**

	<b>2/1/20</b>	3/1/19
	£	£
Cash and cash equivalents	<b><u>2,914,355</u></b>	<b><u>2,834,628</u></b>

**Year ended 2nd January 2019**

	2/1/19	3/1/18
	£	£
Cash and cash equivalents	<b><u>2,834,628</u></b>	<b><u>2,454,566</u></b>

**28. ANALYSIS OF CHANGES IN NET FUNDS**

	At 3/1/19	Cash flow	At 2/1/20
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<b><u>2,834,628</u></b>	<b><u>79,727</u></b>	<b><u>2,914,355</u></b>
	<b><u>2,834,628</u></b>	<b><u>79,727</u></b>	<b><u>2,914,355</u></b>
<b>Debt</b>			
Finance leases	<b><u>(118,370)</u></b>	<b><u>(55,158)</u></b>	<b><u>(173,528)</u></b>
	<b><u>(118,370)</u></b>	<b><u>(55,158)</u></b>	<b><u>(173,528)</u></b>
<b>Total</b>	<b><u>2,716,258</u></b>	<b><u>24,569</u></b>	<b><u>2,740,827</u></b>

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