

STRATEGIC REPORT, REPORT OF THE DIRECTOR AND  
FINANCIAL STATEMENTS FOR THE PERIOD 3RD JANUARY 2020 TO 31ST DECEMBER 2020  
FOR  
ARKAY WINDOWS LIMITED

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<b>DIRECTOR:</b>	Mr R R Radia
<b>REGISTERED OFFICE:</b>	573 - 575 Lordship Lane Woodgreen London N22 5LE
<b>REGISTERED NUMBER:</b>	01238359 (England and Wales)
<b>AUDITORS:</b>	PSJ Alexander & Co Chartered Accountants & Statutory Auditors 1 Doughty Street London WC1N 2PH
<b>BANKERS:</b>	Barclays Bank Plc

STRATEGIC REPORT  
FOR THE PERIOD 3RD JANUARY 2020 TO 31ST DECEMBER 2020

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The director presents his strategic report for the period 3rd January 2020 to 31st December 2020.

**REVIEW OF BUSINESS**

The company's performance during the period ended 31st December 2020 was satisfactory. Key performance indicators were as follows:

	Current	Comparative
Sales	£13,048,000	£13,738,000
GP Margin	27.1%	25.7%
Profit after tax	£1,114,270	£806,000

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 and COVID-19 pandemic**

Brexit, the COVID-19 pandemic and other factors such as the recent fuel and energy crises have affected the recruitment of employees and has also led to minor disruptions in the Company's supply chain and distributions. Management is closely following the ongoing developments.

**ON BEHALF OF THE BOARD:**

Mr R R Radia - Director

25th October 2021

REPORT OF THE DIRECTOR  
FOR THE PERIOD 3RD JANUARY 2020 TO 31ST DECEMBER 2020

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The director presents his report with the financial statements of the company for the period 3rd January 2020 to 31st December 2020.

**PRINCIPAL ACTIVITIES**

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

**DIVIDENDS**

The company paid dividends amounting to £2m during the period (2019: £Nil).

**DIRECTOR**

Mr R R Radia held office during the whole of the period from 3rd January 2020 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

25th October 2021

### **Opinion**

We have audited the financial statements of Arkay Windows Limited (the 'company') for the period ended 31st December 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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 31st December 2020 and of its profit for the period 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**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

### **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 this gives rise to a material misstatement in the financial statements themselves. 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- we reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations that have a direct effect on the financial statements;
- we enquired with the management team concerning actual and potential litigation and claims;
- we performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- we read minutes of meetings of those charged with governance;
- we obtained an understanding of any provisions and held discussions with management to understand the basis of recognition or non-recognition of tax provisions; and
- we addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

25th October 2021

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD 3RD JANUARY 2020 TO 31ST DECEMBER 2020

		Period 3/1/20 to 31/12/20		Year ended 2/1/20	
	Notes	£	£	£	£
<b>TURNOVER</b>			<b>13,048,115</b>		<b>13,738,056</b>
Cost of sales			<u>9,511,583</u>		<u>10,204,901</u>
<b>GROSS PROFIT</b>			<b>3,536,532</b>		<b>3,533,155</b>
Administrative expenses			<u>2,665,282</u>		<u>2,631,311</u>
			<b>871,250</b>		<b>901,844</b>
Other operating income			<u>469,461</u>		<u>37,181</u>
<b>OPERATING PROFIT</b>	4		<b>1,340,711</b>		<b>939,025</b>
Income from fixed asset investments		<b>884</b>		37	
Interest receivable and similar income		<u>2,708</u>		<u>13,571</u>	
			<b>3,592</b>		<b>13,608</b>
			<b>1,344,303</b>		<b>952,633</b>
Gain/loss on revaluation of investments			<u>10,454</u>		<u>2,052</u>
			<b>1,354,757</b>		<b>954,685</b>
Interest payable and similar expenses	5		<u>6,099</u>		<u>7,914</u>
<b>PROFIT BEFORE TAXATION</b>			<b>1,348,658</b>		<b>946,771</b>
Tax on profit	6		<u>234,388</u>		<u>140,511</u>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>			<b>1,114,270</b>		<b>806,260</b>
<b>OTHER COMPREHENSIVE INCOME</b>			<u>-</u>		<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>			<b>1,114,270</b>		<b>806,260</b>

The notes form part of these financial statements



BALANCE SHEET  
31ST DECEMBER 2020

	Notes	2020 £	£	2020 £	£
<b>FIXED ASSETS</b>					
Intangible assets	8		<b>1</b>		1
Tangible assets	9		<b>766,779</b>		771,444
Investments	10		<b>96,033</b>		111,708
Investment property	11		<u>-</u>		<u>-</u>
			<b>862,813</b>		883,153
<b>CURRENT ASSETS</b>					
Stocks	12	<b>1,622,975</b>		1,341,592	
Debtors	13	<b>3,258,753</b>		3,088,744	
Cash at bank and in hand		<u><b>1,774,512</b></u>		<u>2,914,355</u>	
		<b>6,656,240</b>		7,344,691	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u><b>2,527,659</b></u>		<u>2,404,294</u>	
<b>NET CURRENT ASSETS</b>			<u><b>4,128,581</b></u>		<u>4,940,397</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>4,991,394</b>		5,823,550
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		<b>(134,449)</b>		(87,875)
<b>PROVISIONS FOR LIABILITIES</b>	18		<u><b>(110,000)</b></u>		<u>(103,000)</u>
<b>NET ASSETS</b>			<u><b>4,746,945</b></u>		<u>5,632,675</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		<b>180,000</b>		180,000
Retained earnings	20		<u><b>4,566,945</b></u>		<u>5,452,675</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><b>4,746,945</b></u>		<u>5,632,675</u>

The financial statements were approved by the director and authorised for issue on 25th October 2021 and were signed by:

Mr R R Radia - Director

STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD 3RD JANUARY 2020 TO 31ST DECEMBER 2020

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 3rd 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
<b>Changes in equity</b>			
Dividends	-	(2,000,000)	(2,000,000)
Total comprehensive income	-	1,114,270	1,114,270
<b>Balance at 31st December 2020</b>	180,000	4,566,945	4,746,945

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 31st December 2020, the company has net current assets of £4,128,581 (2019: £4,940,397) and net assets of £4,746,945 (2019: £5,632,675).

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 and the relaxation of the pandemic measures in the UK and worldwide means that the Director is confident the pandemic poses no significant going concern risk to the Company. Consequently, these financial statements have been prepared on a going concern basis.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

**Turnover**

Turnover includes all trade and retail sales of windows, doors and similar products and is stated net of value added tax and discounts.

Revenue from sale of goods is recognised when the significant risks and benefits of ownership of the product have been transferred to the buyer, which is usually on delivery.

Revenue from services provided by the Company is recognised when the Company has performed its obligations and in exchange obtained the right to consideration.

**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

2. **ACCOUNTING POLICIES - continued**

**Government grants**

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment.

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

**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.

**Taxation**

Taxation for the period 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 period 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.

**2. ACCOUNTING POLICIES - continued****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**

	Period 3/1/20 to 31/12/20 £	Year ended 2/1/20 £
Wages and salaries	2,466,121	2,405,965
Social security costs	229,149	220,729
Other pension costs	43,147	42,350
	<u>2,738,417</u>	<u>2,669,044</u>

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

	Period 3/1/20 to 31/12/20	Year ended 2/1/20
Sales	4	4
Production	59	60
Administrative	31	25
	<u>94</u>	<u>89</u>

	Period 3/1/20 to 31/12/20 £	Year ended 2/1/20 £
Director's remuneration	<u>46,182</u>	<u>43,999</u>

**4. OPERATING PROFIT**

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

	Period 3/1/20 to 31/12/20 £	Year ended 2/1/20 £
Hire of plant and machinery	25,384	24,458
Other operating leases	430,346	430,411
Depreciation - owned assets	131,033	105,593
Depreciation - assets on hire purchase contracts	78,590	46,744
Profit on disposal of fixed assets	(9,925)	(2,193)
Audit fees	24,000	26,580
Foreign exchange differences	18	-

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	Period 3/1/20 to 31/12/20 £	Year ended 2/1/20 £
Hire purchase	6,099	7,914

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

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

	Period 3/1/20 to 31/12/20 £	Year ended 2/1/20 £
Current tax:		
UK corporation tax	227,388	122,511
Deferred taxation	7,000	18,000
Tax on profit	234,388	140,511

6. **TAXATION - continued****Reconciliation of total tax charge included in profit and loss**

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

	Period 3/1/20 to 31/12/20 £	Year ended 2/1/20 £
Profit before tax	<u>1,348,658</u>	<u>946,771</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	<u>256,245</u>	<u>179,886</u>
Effects of:		
Expenses not deductible for tax purposes	1,720	270
Income not taxable for tax purposes	(3,872)	-
Capital allowances in excess of depreciation	(12,269)	(22,809)
Adjustments to tax charge in respect of previous periods	(14,436)	(34,836)
Deferred tax provision	<u>7,000</u>	<u>18,000</u>
Total tax charge	<u>234,388</u>	<u>140,511</u>

7. **DIVIDENDS**

	Period 3/1/20 to 31/12/20 £	Year ended 2/1/20 £
Ordinary Share shares of £1 each		
Final	<u>2,000,000</u>	<u>-</u>

8. **INTANGIBLE FIXED ASSETS**

	Goodwill £
<b>COST</b>	
At 3rd January 2020	
and 31st December 2020	<u>53,543</u>
<b>AMORTISATION</b>	
At 3rd January 2020	
and 31st December 2020	<u>53,542</u>
<b>NET BOOK VALUE</b>	
At 31st December 2020	<u>1</u>
At 2nd January 2020	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 3RD JANUARY 2020 TO 31ST DECEMBER 2020

## 9. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 3rd January 2020	90,912	1,344,352	187,593
Additions	-	177,336	19,802
Disposals	-	(104,488)	-
At 31st December 2020	90,912	1,417,200	207,395
<b>DEPRECIATION</b>			
At 3rd January 2020	36,449	842,496	126,363
Charge for period	6,535	115,929	10,737
Eliminated on disposal	-	(74,341)	-
At 31st December 2020	42,984	884,084	137,100
<b>NET BOOK VALUE</b>			
At 31st December 2020	47,928	533,116	70,295
At 2nd January 2020	54,463	501,856	61,230

  

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 3rd January 2020	90,780	218,655	1,932,292
Additions	-	37,967	235,105
Disposals	-	-	(104,488)
At 31st December 2020	90,780	256,622	2,062,909
<b>DEPRECIATION</b>			
At 3rd January 2020	41,719	113,821	1,160,848
Charge for period	12,266	64,156	209,623
Eliminated on disposal	-	-	(74,341)
At 31st December 2020	53,985	177,977	1,296,130
<b>NET BOOK VALUE</b>			
At 31st December 2020	36,795	78,645	766,779
At 2nd January 2020	49,061	104,834	771,444



NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 3RD JANUARY 2020 TO 31ST DECEMBER 2020

## 9. TANGIBLE FIXED ASSETS - continued

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

	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>			
At 3rd January 2020	353,000	23,750	376,750
Additions	149,635	-	149,635
Transfer to ownership	(168,000)	-	(168,000)
At 31st December 2020	334,635	23,750	358,385
<b>DEPRECIATION</b>			
At 3rd January 2020	81,014	5,937	86,951
Charge for period	74,136	4,454	78,590
Transfer to ownership	(76,434)	-	(76,434)
At 31st December 2020	78,716	10,391	89,107
<b>NET BOOK VALUE</b>			
At 31st December 2020	255,919	13,359	269,278
At 2nd January 2020	271,986	17,813	289,799

## 10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Unlisted investments £	Totals £
<b>COST OR VALUATION</b>			
At 3rd January 2020	70	111,638	111,708
Additions	800,000	-	800,000
Disposals	(800,000)	(26,129)	(826,129)
Revaluations	-	10,454	10,454
At 31st December 2020	70	95,963	96,033
<b>NET BOOK VALUE</b>			
At 31st December 2020	70	95,963	96,033
At 2nd January 2020	70	111,638	111,708

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 PERIOD 3RD JANUARY 2020 TO 31ST DECEMBER 2020**11. INVESTMENT PROPERTY**

	Total £
Fair value at 3rd January 2020 and 31st December 2020	1
Impairment provision at 3rd January 2020 and 31st December 2020	(1)
Carrying value at 3rd January 2020 and 31st December 2020	-

The investment property was valued on an open market basis at the balance sheet date by the Director.

**12. STOCKS**

	2020 £	2020 £
Raw materials	1,329,135	1,199,066
Work-in-progress	95,440	31,341
Finished goods	198,400	111,185
	<u>1,622,975</u>	<u>1,341,592</u>

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

	2020 £	2020 £
Trade debtors	1,356,718	1,923,147
Amounts owed by group undertakings	780,045	763,726
Other debtors	969,478	216,305
Prepayments and accrued income	152,512	185,566
	<u>3,258,753</u>	<u>3,088,744</u>

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

	2020 £	2020 £
Hire purchase contracts (see note 16)	94,406	85,653
Trade creditors	1,574,108	1,676,665
Taxation	142,738	150,000
Social security and other taxes	81,341	60,148
VAT	394,567	261,971
Other creditors	131,248	139,845
Accrued expenses	109,251	30,012
	<u>2,527,659</u>	<u>2,404,294</u>

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020 £	2020 £
Hire purchase contracts (see note 16)	134,449	87,875

**16. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	<b>Hire purchase contracts</b>	
	<b>2020</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net obligations repayable:		
Within one year	<b>94,406</b>	85,653
Between one and five years	<b>134,449</b>	87,875
	<b><u>228,855</u></b>	<u>173,528</u>
	<b>Non-cancellable operating leases</b>	
	<b>2020</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Within one year	<b>449,500</b>	337,988
Between one and five years	<b>967,352</b>	420,580
	<b><u>1,416,852</u></b>	<u>758,568</u>

**17. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>2020</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Hire purchase contracts	<b><u>228,855</u></b>	<u>173,528</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>	<b>2020</b>
	<b>£</b>	<b>£</b>
Deferred tax		
Accelerated capital allowances	<b><u>110,000</u></b>	<u>103,000</u>
		<b>Deferred tax</b>
		<b>£</b>
Balance at 3rd January 2020		<b>103,000</b>
Provided during period		<b>7,000</b>
Movement for the year		
Balance at 31st December 2020		<b><u>110,000</u></b>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 3RD JANUARY 2020 TO 31ST DECEMBER 2020

## 19. CALLED UP SHARE CAPITAL

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

## 20. RESERVES

	Retained earnings £
At 3rd January 2020	5,452,675
Profit for the period	1,114,270
Dividends	<u>(2,000,000)</u>
At 31st December 2020	<u>4,566,945</u>

## 21. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Arkay Group Limited.

The ultimate parent undertaking is Arkay Group London Limited. Its consolidated financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

## 22. 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.

The director holds the investment property and the unlisted shares on behalf of the Company.

The company undertook the following transactions with companies with common director and shareholder.

	Period ended 31st December 2020		Year ended 2nd January 2020
	£	£	
a)			
Sales		1,462,379	1,981,206
Recharge of expenses		51,660	201,835
Rent charged		36,000	36,000
Loan interest received		-	6,550
Net trade balance due from related party at the balance sheet date		698,299	1,265,388
Net loan balance due from related party at the balance sheet date		955,022	203,768

- b) On 21st December 2020, the Company agreed to convert £800,000 of trade balances owed by a related entity into 800,000 Class A Voting Ordinary Shares of £1 each. Arkay Windows Limited became the majority shareholder of that entity as a result.

On 23rd December 2020, Arkay Windows Limited sold its entire shareholding in that entity to another related entity for £800,000.

**23. 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 became the ultimate controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.