

**MOORE STEPHENS**

Company Registration No. 05156562 (England and Wales)

**D.K. HARRIS LIMITED**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**PAGES FOR FILING WITH REGISTRAR**

# **D.K. HARRIS LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	D K Harris G D Harris M C Harris W Harris
<b>Company number</b>	05156562
<b>Registered office</b>	Rutland House Minerva Business Park Lynch Wood Peterborough PE2 6PZ
<b>Accountants</b>	Moore Stephens Rutland House Minerva Business Park Lynch Wood Peterborough PE2 6PZ
<b>Business address</b>	100 Ramsey Road Whittlesey Peterborough PE7 2LR

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# **D.K. HARRIS LIMITED**

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**D.K. HARRIS LIMITED****BALANCE SHEET****AS AT 31 DECEMBER 2016**

		2016		2015	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	3		796,237		594,085
<b>Current assets</b>					
Stocks		38,808		47,950	
Debtors	4	653,381		647,965	
Cash at bank and in hand		14,212		41,458	
		<u>706,401</u>		<u>737,373</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(605,876)</u>		<u>(499,589)</u>	
<b>Net current assets</b>			100,525		237,784
<b>Total assets less current liabilities</b>			<u>896,762</u>		<u>831,869</u>
<b>Creditors: amounts falling due after more than one year</b>	6		(190,172)		(182,274)
<b>Provisions for liabilities</b>			<u>(129,051)</u>		<u>(118,817)</u>
<b>Net assets</b>			<u>577,539</u>		<u>530,778</u>
<b>Capital and reserves</b>					
Called up share capital	8		4		4
Profit and loss reserves			<u>577,535</u>		<u>530,774</u>
<b>Total equity</b>			<u>577,539</u>		<u>530,778</u>

## **D.K. HARRIS LIMITED**

### **BALANCE SHEET (CONTINUED)**

**AS AT 31 DECEMBER 2016**

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The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 28 September 2017 and are signed on its behalf by:

W Harris  
**Director**

**Company Registration No. 05156562**

## **D.K. HARRIS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **1 Accounting policies**

##### **Company information**

D.K. Harris Limited is a private company limited by shares incorporated in England and Wales. The registered office is Rutland House, Minerva Business Park, Lynch Wood, Peterborough, PE2 6PZ. The place of business is given in the company information page of these financial statements.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

These financial statements for the year ended 31 December 2016 are the first financial statements of D.K. Harris Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

##### **1.2 Turnover**

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

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

##### **1.3 Tangible fixed assets**

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

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

Plant and machinery	15% per annum reducing balance
Office equipment	15% per annum reducing balance
Motor vehicles	15% per annum reducing balance

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

## D.K. HARRIS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

(Continued)

##### 1.4 Impairment of fixed assets

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

##### 1.5 Stocks

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

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

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

##### 1.6 Cash and cash equivalents

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

##### 1.7 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

##### **Basic financial assets**

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

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

## D.K. HARRIS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

(Continued)

##### **Basic financial liabilities**

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

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

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

#### 1.8 Equity instruments

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

#### 1.9 Taxation

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

##### **Current tax**

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

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

#### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

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

# D.K. HARRIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 1 Accounting policies

(Continued)

#### 1.11 Leases

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

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

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 27 (2015 - 26).

### 3 Tangible fixed assets

	Plant and machinery	Office equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2016	56,925	8,905	747,835	813,665
Additions	7,300	26,314	309,050	342,664
At 31 December 2016	64,225	35,219	1,056,885	1,156,329
<b>Depreciation and impairment</b>				
At 1 January 2016	18,429	2,454	198,697	219,580
Depreciation charged in the year	7,051	4,733	128,728	140,512
At 31 December 2016	25,480	7,187	327,425	360,092
<b>Carrying amount</b>				
At 31 December 2016	38,745	28,032	729,460	796,237
At 31 December 2015	38,496	6,451	549,138	594,085

### 4 Debtors

	2016	2015
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	653,381	647,965

# **D.K. HARRIS LIMITED**

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

**FOR THE YEAR ENDED 31 DECEMBER 2016**

### **5 Creditors: amounts falling due within one year**

	Notes	2016 £	2015 £
Obligations under finance leases	7	210,782	200,761
Trade creditors		213,929	165,433
Corporation tax		60,003	50,051
Other taxation and social security		94,298	55,481
Other creditors		25,363	25,363
Accruals and deferred income		1,501	2,500
		<u>605,876</u>	<u>499,589</u>

Of the above creditors £206,611 (2015 - £200,761) is secured.

### **6 Creditors: amounts falling due after more than one year**

	Notes	2016 £	2015 £
Obligations under finance leases	7	190,172	182,274
		<u>190,172</u>	<u>182,274</u>

Of the above creditors £194,340 (2015 - £182,274) is secured.

### **7 Finance lease obligations**

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Within one year	210,782	200,761
In two to five years	190,172	182,274
	<u>400,954</u>	<u>383,035</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### **8 Called up share capital**

	2016 £	2015 £
Ordinary share capital Issued and fully paid		
4 Ordinary shares of £1 each	4	4
	<u>4</u>	<u>4</u>

### **9 Related party transactions**

## D.K. HARRIS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**9 Related party transactions**

**(Continued)**

**Transactions with related parties**

During the year the company entered into the following transactions with D K Harris and Partners; a related partnership by virtue of the partners being Mr D K Harris and Mr W Harris who are also directors of D.K. Harris Limited:

	<b>Management charges</b>	
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Other related parties	78,000	98,000
	<u>          </u>	<u>          </u>

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