

COMPANY REGISTRATION NUMBER: 07254259

**DK Construction (Hereford) Limited**

**Unaudited Financial Statements**

**31 May 2017**

**J D ACCOUNTANCY**

Accountants

Unit 3,

37 Watling Street,

Leintwardine,

Shropshire,

SY7 0LW

# **DK Construction (Hereford) Limited**

## **Financial Statements**

**Year ended 31 May 2017**

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# **DK Construction (Hereford) Limited**

## **Directors' Report**

### **Year ended 31 May 2017**

The directors present their report and the unaudited financial statements of the company for the year ended 31 May 2017 .

#### **Principal activities**

The principal activity of the company during the year was civil engineering works.

#### **Directors**

The directors who served the company during the year were as follows:

Mr D Jones

Mr K L Jones

#### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 31 October 2017 and signed on behalf of the board by:

Mr D Jones

Desmond Jones

Director

Company Secretary

Registered office:

Saxonhurst

Danesfield Drive

Leominster

Herefordshire

HR6 8HW

**DK Construction (Hereford) Limited**  
**Statement of Income and Retained Earnings**

**Year ended 31 May 2017**

		2017	2016
	Note	£	£
<b>Turnover</b>		<b>208,279</b>	225,124
Cost of sales		<b>144,386</b>	146,291
		-----	-----
<b>Gross profit</b>		<b>63,893</b>	78,833
Administrative expenses		<b>49,670</b>	50,080
		-----	-----
<b>Operating profit</b>		<b>14,223</b>	28,753
Other interest receivable and similar income		<b>2</b>	4
		-----	-----
<b>Profit before taxation</b>	<b>5</b>	<b>14,225</b>	28,757
Tax on profit		<b>2,925</b>	6,308
		-----	-----
<b>Profit for the financial year and total comprehensive income</b>		<b>11,300</b>	22,449
		-----	-----
Dividends paid and payable		<b>( 20,000)</b>	( 20,000)
<b>Retained earnings at the start of the year</b>		<b>22,846</b>	20,397
		-----	-----
<b>Retained earnings at the end of the year</b>		<b>14,146</b>	22,846
		-----	-----

All the activities of the company are from continuing operations.

# DK Construction (Hereford) Limited

## Statement of Financial Position

31 May 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	6	8,079	8,602
<b>Current assets</b>			
Debtors	7	16,557	29,316
Cash at bank and in hand		5,905	12,220
		-----	-----
		22,462	41,536
<b>Creditors: amounts falling due within one year</b>	8	16,393	27,019
		-----	-----
<b>Net current assets</b>		6,069	14,517
		-----	-----
<b>Total assets less current liabilities</b>		14,148	23,119
<b>Creditors: amounts falling due after more than one year</b>	9	—	271
		-----	-----
<b>Net assets</b>		14,148	22,848
		-----	-----
<b>Capital and reserves</b>			
Called up share capital		2	2
Profit and loss account		14,146	22,846
		-----	-----
<b>Members funds</b>		14,148	22,848
		-----	-----

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 31 May 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

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

# **DK Construction (Hereford) Limited**

## **Statement of Financial Position** *(continued)*

**31 May 2017**

These financial statements were approved by the board of directors and authorised for issue on 31 October 2017 , and are signed on behalf of the board by:

Mr D Jones

Director

Company registration number: 07254259

# **DK Construction (Hereford) Limited**

## **Notes to the Financial Statements**

### **Year ended 31 May 2017**

#### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Saxonhurst, Danesfield Drive, Leominster, Herefordshire, HR6 8HW.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 June 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 12.

##### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

##### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and Machinery	-	20% reducing balance
Motor Vehicles	-	25% reducing balance

### **Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

### **4. Staff costs**

The average number of persons employed by the company during the year, including the directors, amounted to 2 (2016: 2).



## 5. Profit before taxation

Profit before taxation is stated after charging:

	2017	2016
	£	£
Depreciation of tangible assets	2,493	2,782

## 6. Tangible assets

	Plant and machinery	Motor vehicles	Total
	£	£	£
<b>Cost</b>			
At 1 June 2016	4,180	18,562	22,742
Additions	1,970	—	1,970
<b>At 31 May 2017</b>	6,150	18,562	24,712
<b>Depreciation</b>			
At 1 June 2016	3,156	10,984	14,140
Charge for the year	599	1,894	2,493
<b>At 31 May 2017</b>	3,755	12,878	16,633
<b>Carrying amount</b>			
<b>At 31 May 2017</b>	2,395	5,684	8,079
At 31 May 2016	1,024	7,578	8,602

## 7. Debtors

	2017	2016
	£	£
Trade debtors	4,350	10,500
Other debtors	12,207	18,816
	16,557	29,316

## 8. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	6,549	5,153
Corporation tax	2,925	6,308
Social security and other taxes	3,391	5,984
Other creditors	3,528	9,574
	16,393	27,019

## 9. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Other creditors	—	271

## 10. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

### 2017

	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr D Jones	3,162	24,862	( 26,396)	<b>1,628</b>
Mr K L Jones	3,162	24,863	( 26,396)	<b>1,629</b>
	-----	-----	-----	-----
	6,324	49,725	(52,792)	<b>3,257</b>
	-----	-----	-----	-----

### 2016

	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr D Jones	5,731	30,710	( 33,279)	3,162
Mr K L Jones	5,732	30,710	( 33,280)	3,162
	-----	-----	-----	-----
	11,463	61,420	(66,559)	6,324
	-----	-----	-----	-----

## 11. Related party transactions

## 12. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 June 2015.

No transitional adjustments were required in equity or profit or loss for the year.

# **DK Construction (Hereford) Limited**

## **Management Information**

**Year ended 31 May 2017**

**The following pages do not form part of the financial statements.**

# DK Construction (Hereford) Limited

## Detailed Income Statement

Year ended 31 May 2017

	2017	2016
	£	£
<b>Turnover</b>	<b>208,279</b>	<b>225,124</b>
<b>Cost of sales</b>		
Purchases	<b>144,386</b>	146,291
	-----	-----
<b>Gross profit</b>	<b>63,893</b>	<b>78,833</b>
<b>Overheads</b>		
Administrative expenses	<b>49,670</b>	50,080
	-----	-----
<b>Operating profit</b>	<b>14,223</b>	<b>28,753</b>
Other interest receivable and similar income	<b>2</b>	<b>4</b>
	-----	-----
<b>Profit before taxation</b>	<b>14,225</b>	<b>28,757</b>
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# DK Construction (Hereford) Limited

## Notes to the Detailed Income Statement

Year ended 31 May 2017

	2017	2016
	£	£
<b>Administrative expenses</b>		
Directors salaries	16,154	16,109
Insurance	658	621
Repairs and maintenance (allowable)	3,852	5,990
Motor expenses	18,823	14,900
Hire costs (non-operating leases)	533	—
Hire costs (non-operating leases) - type 2	—	533
Telephone	1,223	2,520
Printing postage and stationery	294	1,001
Accountancy fees	5,433	5,413
Depreciation of tangible assets	2,493	2,782
Bank charges	207	211
	<u>49,670</u>	<u>50,080</u>
<b>Other interest receivable and similar income</b>		
Interest on cash and cash equivalents	2	4

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