

SPE Contracts Limited

Financial Statements

for the year ended 31 August 2017

SPE Contracts Limited

Company Number: NI057830

BALANCE SHEET

as at 31 August 2017

	Notes	2017 £	2016 £
Fixed Assets			
Tangible assets	6	620,261	588,004
Investments		-	288,231
		<u>620,261</u>	<u>876,235</u>
Current Assets			
Stocks	7	1,936,295	1,048,103
Debtors	8	2,216,490	1,857,835
Cash and cash equivalents		13,846	12,789
		<u>4,166,631</u>	<u>2,918,727</u>
Creditors: Amounts falling due within one year	9	<u>(2,948,769)</u>	<u>(2,140,337)</u>
Net Current Assets		<u>1,217,862</u>	<u>778,390</u>
Total Assets less Current Liabilities		<u>1,838,123</u>	<u>1,654,625</u>
Creditors			
Amounts falling due after more than one year	10	(103,617)	(78,866)
Provisions for liabilities	12	<u>(44,584)</u>	<u>(38,817)</u>
Net Assets		<u><u>1,689,922</u></u>	<u><u>1,536,942</u></u>
Capital and Reserves			
Called up share capital		1	1
Revaluation reserve		34,087	34,087

Profit and Loss Account	1,655,834	1,502,854
	<hr/>	<hr/>
Shareholders' Funds	1,689,922	1,536,942
	<hr/>	<hr/>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A (Small Entities).

The company has taken advantage of the exemption under section 444 not to file the Profit and Loss Account and Directors' Report.

Approved by the Board and authorised for issue on 15 June 2018 and signed on its behalf by

Mr Stephen Parr
Director

SPE Contracts Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

1. GENERAL INFORMATION

SPE Contracts Limited is a company limited by shares incorporated in Northern Ireland. Unit 1, Tamar Commercial Centre, Chater Street, Belfast, Co. Antrim, BT4 1BL, Northern Ireland is the registered office, which is also the principal place of business of the company. The nature of the company's operations and its principal activities are set out in the Directors' Report. The financial statements have been presented in Pound Sterling (£) which is also the functional currency of the company.

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Statement of compliance

The financial statements of the company for the year ended 31 August 2017 have been prepared in accordance with the provisions of FRS 102 Section 1A (Small Entities) and the Companies Act 2006.

Basis of preparation

The financial statements have been prepared under the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Cash flow statement

The company has availed of the exemption in FRS 102 Section 1A from the requirement to prepare a Cash Flow Statement because it is classified as a small company.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of services. Turnover on long-term contracts is recognised based on the stage of completion of the transaction at the end of the reporting period after making an estimate of costs to complete and risks associated with the contract. Full provision is made for any losses in the year in which they are first foreseen.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Long leasehold property	- 2% Straight line
Plant and machinery	- 20% Reducing Balance
Fixtures, fittings and equipment	- 20% Reducing Balance
Motor vehicles	- 20% Reducing Balance

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in

circumstances indicate the carrying value may not be recoverable.

Leasing and hire purchases

Tangible fixed assets held under leasing and Hire Purchases arrangements which transfer substantially all the risks and rewards of ownership to the company are capitalised and included in the Balance Sheet at their cost or valuation, less depreciation. The corresponding commitments are recorded as liabilities. Payments in respect of these obligations are treated as consisting of capital and interest elements, with interest charged to the Profit and Loss Account.

Leasing

Rentals payable under operating leases are dealt with in the Profit and Loss Account as incurred over the period of the rental agreement.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Income from other investments together with any related tax credit is recognised in the profit and loss account in the year in which it is receivable.

Stocks

Stocks are valued at the lower of cost and net realisable value. In respect of work in progress and finished goods, cost includes all direct costs of production and the appropriate proportion of production overheads. Cost comprises expenditure incurred in the normal course of business in bringing stocks to their present location and condition. Full provision is made for obsolete and slow moving items. Net realisable value comprises actual or estimated selling price (net of trade discounts) less all further costs to completion or to be incurred in marketing and selling.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Related parties

For the purposes of these financial statements a party is considered to be related to the company if:

- the party has the ability, directly or indirectly, through one or more intermediaries to control the company or exercise significant influence over the company in making financial and operating policy decisions or has joint control over the company;
- the company and the party are subject to common control;
- the party is an associate of the company or forms part of a joint venture with the company;
- the party is a member of key management personnel of the company or the company's parent, or a close family member of such as an individual, or is an entity under the control, joint control or significant influence of such individuals;
- the party is a close family member of a party referred to above or is an entity under the control or significant influence of such individuals; or
- the party is a post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the company.

Employee benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

Taxation and deferred taxation

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the Balance Sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future. Timing differences are temporary differences between the company's taxable profits and its results as stated in the financial statements. Deferred tax is measured on an undiscounted basis at the tax rates that are anticipated to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The resulting exchange differences are dealt with in the Profit and Loss Account.

Share capital of the company

Ordinary share capital

The ordinary share capital of the company is presented as equity.

3. INFORMATION RELATING TO THE AUDITOR'S REPORT

The Audit Report was unqualified. There were no matters to which the auditor was required to refer by way of emphasis.

The financial statements were audited by PGR Accountants Limited.

The Auditor's Report was signed by Peter Greene (Senior Statutory Auditor) for and on behalf of PGR Accountants Limited on 15th June 2018.

4. OPERATING PROFIT	2017	2016
	£	£
Operating profit is stated after charging/(crediting):		
- audit services	18,915	12,500

5. EMPLOYEES

	2017 Number	2016 Number
Site staff	28	32
Office and administration staff	43	27
	<u>71</u>	<u>59</u>

6. TANGIBLE FIXED ASSETS

	Long leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or Valuation					
At 1 September 2016	350,000	77,904	244,066	198,654	870,624
Additions	-	2,300	12,282	85,545	100,127
Disposals	-	-	(408)	-	(408)
At 31 August 2017	<u>350,000</u>	<u>80,204</u>	<u>255,940</u>	<u>284,199</u>	<u>970,343</u>
Depreciation					
At 1 September 2016	-	51,642	146,525	84,453	282,620
Charge for the year	-	5,712	21,719	39,949	67,380
On disposals	-	-	82	-	82
At 31 August 2017	<u>-</u>	<u>57,354</u>	<u>168,326</u>	<u>124,402</u>	<u>350,082</u>
Net book value					
At 31 August 2017	<u>350,000</u>	<u>22,850</u>	<u>87,614</u>	<u>159,797</u>	<u>620,261</u>
At 31 August 2016	<u>350,000</u>	<u>26,262</u>	<u>97,541</u>	<u>114,201</u>	<u>588,004</u>

6.1. TANGIBLE FIXED ASSETS CONTINUED

Included above are assets held under finance leases or hire purchase contracts as follows:

	2017 Net book value £	Depreciation charge £	2016 Net book value £	Depreciation charge £
Plant and machinery	976	244	1,220	-
Motor vehicles	141,083	28,217	108,367	21,673
	<u>142,059</u>	<u>28,461</u>	<u>109,587</u>	<u>21,673</u>

6.2. TANGIBLE FIXED ASSETS CONTINUED

Land and buildings comprises the client's head office at Tamar Commercial Centre, Belfast. This property was

revalued on 31 August 2016 on the basis of open market value. The carrying value of the asset prior to this valuation was £386,289.

7. STOCKS	2017	2016
	£	£
Work in progress	1,916,295	1,028,103
Finished goods and goods for resale	20,000	20,000
	1,936,295	1,048,103

The replacement cost of stock did not differ significantly from the figures shown.

8. DEBTORS	2017	2016
	£	£
Trade debtors	1,039,700	1,091,279
Amounts owed by group companies	350,691	203,089
Other debtors	212,574	163,000
Directors' current accounts (Note)	574,985	400,467
Prepayments and accrued income	38,540	-
	2,216,490	1,857,835

Directors' current accounts are interest free and repayable on demand. As at 31 May 2018, the directors' current account has been fully repaid.

Included in trade debtors is £408,000 due from an other related party. This amount is unsecured and repayable on demand.

9. CREDITORS	2017	2016
Amounts falling due within one year	£	£
Bank overdrafts	238,936	357,922
Bank loan	82,823	88,388
Net obligations under finance leases and hire purchase contracts	53,142	39,611
Trade creditors	2,216,215	1,361,087
Taxation (Note 11)	162,546	201,595
Other creditors	93,658	61,562
Accruals:		
Pension accrual	3,214	2,945
Other accruals	98,235	27,227
	2,948,769	2,140,337

Security has been provided to Danske Bank in relation to the company's borrowings and bank facilities as follows;

- A first and only all monies debenture in favour of the bank over all the borrower's assets and undertaking to incorporate a first and only legal charge over property situated at: Unit 1 Tamar Commercial Centre, Chater Street, Belfast, BT4 1BL.
- An all monies composite guarantee in favour of the Bank from each of Parr Group Limited, Parr FM Limited and

SPE Contracts Limited collateralised by first and only all monies debentures over the property, assets and undertaking of each company.

10. CREDITORS

	2017	2016
	£	£

Amounts falling due after more than one year

Finance leases and hire purchase contracts	103,617	78,866
--	----------------	--------

**Net obligations under finance leases
and hire purchase contracts**

Repayable within one year	53,142	39,611
---------------------------	---------------	--------

Repayable between one and five years	103,617	78,866
--------------------------------------	----------------	--------

	156,759	118,477
--	----------------	---------

Security has been provided to Danske Bank in relation to the company's borrowings and bank facilities as follows;

- A first and only all monies debenture in favour of the bank over all the borrower's assets and undertaking to incorporate a first and only legal charge over property situated at: Unit 1 Tamar Commercial Centre, Chater Street, B e l f a s t , B T 4 1 B L .
- An all monies composite guarantee in favour of the Bank from each of Parr Group Limited, Parr FM Limited and SPE Contracts Limited collateralised by first and only all monies debentures over the property, assets and undertaking of each company.

11. TAXATION

	2017	2016
	£	£

Creditors:

VAT	45,037	61,252
-----	---------------	--------

Corporation tax	28,773	62,426
-----------------	---------------	--------

PAYE / NI	51,731	45,937
-----------	---------------	--------

Subcontractors tax	37,005	31,980
--------------------	---------------	--------

	162,546	201,595
--	----------------	---------

12. PROVISIONS FOR LIABILITIES

The amounts provided for deferred taxation are analysed below:

	Capital allowances	Total	Total
		2017	2016
	£	£	£
At year start	38,817	38,817	49,302
Charged to profit and loss	5,767	5,767	(10,485)
At year end	44,584	44,584	38,817

13. RELATED PARTY TRANSACTIONS

The company was under the control of the directors throughout the current and previous year by virtue of their shareholding in Parr Group Limited.

The company has availed of the exemption in s33 FRS102 from disclosing transactions with other wholly owned group companies.

Balances from directors are included in the debtors note to the accounts.

The company is related to Parr Group Limited and Parr FM Limited by virtue of common control.

Transactions with Directors are reported under Note 19.

In the opinion of the directors these amounts arise in the ordinary course of business and the terms of the amounts due are in accordance with the terms ordinarily offered by the company.

14. PARENT AND ULTIMATE PARENT COMPANY

The company regards Parr Group Limited as its parent company.

The company's ultimate parent undertaking is Parr Group Limited.

The address of Parr Group Limited is Unit 1, Tamar Commercial Centre, Chater Street.

Parr Group Limited is the controlling party. Alexander Parr is the ultimate controlling party by virtue of his shareholding in Parr Group Limited.

The parent of the largest group in which the results are consolidated is Parr Group Limited.

Parr Group Limited is registered in Northern Ireland.

15. POST-BALANCE SHEET EVENTS

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

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.