

Registered number: SC403155

A²+B[®]

COMPANIES HOUSE
EDINBURGH

20 DEC 2018

FRONT DESK

APCC LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018



APCC LIMITED



COMPANY INFORMATION

Director

A P Cowie

Registered number

SC403155

Registered office

Tulloford Rise
Oldmeldrum
Aberdeenshire
AB51 0AQ

APCC LIMITED

CONTENTS



	Page
Group strategic report	1
Director's report	2
Director's responsibilities statement	3
Independent auditors' report	4 - 6
Consolidated statement of comprehensive income	7
Consolidated balance sheet	8 - 9
Company balance sheet	10 - 12
Consolidated statement of changes in equity	12
Company statement of changes in equity	12
Consolidated Statement of cash flows	13 - 14
Notes to the financial statements	15 - 35

APCC LIMITED



**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

Introduction

The principal activities of the Group are that of building contractors and the provision of floor and wall covering.

Business review

The director is satisfied with the results for the year having improved the gross margin albeit with a decrease in turnover in the prevailing market conditions. The retained profit continues to build and strengthen the Balance sheet.

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Group are considered to relate to competition from local and national competitors and employee retention. The director believes that the broad client base established and the operating structure in place mitigate the risk to a large extent.

Financial key performance indicators

Given the straight forward nature of the business, the Group's director is of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance, or position of the business.

Other key performance indicators

The director regularly reviews the upcoming work schedules and staff retention rates to monitor the performance of the Group.

This report was approved by the board and signed on its behalf.

A P Cowie
Director

Date: 14 December 2018

APCC LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2018**



The director presents his report and the financial statements for the year ended 31 March 2018.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £2,646,491 (2017 - £2,714,539).

Dividends paid during the year amounted to £40,000 (2017 - £1,056,750).

Director

The director who served during the year was:

A P Cowie

Future developments

The director aims to continue to enhance the Group's position in the market place and build on the strong reputation established.

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

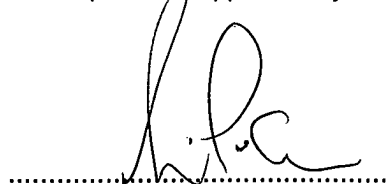
Post balance sheet events

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

Auditors

The auditors, Anderson Anderson & Brown Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



A P Cowie
Director

Date:

14 December 2018

**DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

The director is responsible for preparing the Group strategic report, the Director's report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Opinion

We have audited the financial statements of APCC Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2018, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, 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 Group's and of the parent Company's affairs as at 31 March 2018 and of the Group's 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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 included in the Annual Report, other than the financial statements and our Auditors' report 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

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
APCC LIMITED (CONTINUED)**

required to report that fact.

We have nothing to report in this regard.

Opinion 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 Group strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Director's report 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 directors

As explained more fully in the Director's responsibilities statement on page 3, 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 is 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
APCC LIMITED (CONTINUED)**

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 an Auditors' report 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. This description forms part of our Auditors' report.

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 an Auditors' report 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.

Anderson Anderson & Brown Audit LLP

James Pirrie (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown Audit LLP

Statutory Auditor

Kingshill View

Prime Four Business Park

Kingswells

Aberdeen

AB15 8PU

Date: *14th December 2018*

APCC LIMITED



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Turnover	4	24,114,769	26,141,190
Cost of sales		(17,283,278)	(18,582,023)
Gross profit		<u>6,831,491</u>	<u>7,559,167</u>
Administrative expenses		(3,325,514)	(3,859,200)
Operating profit	5	<u>3,505,977</u>	<u>3,699,967</u>
Interest receivable and similar income	9	8,214	11,840
Interest payable and expenses	10	(113,329)	(169,733)
Profit before taxation		<u>3,400,862</u>	<u>3,542,074</u>
Tax on profit	11	(640,213)	(719,119)
Profit for the financial year		<u><u>2,760,649</u></u>	<u><u>2,822,955</u></u>
Non-controlling interests		114,158	108,416
Owners of the parent Company		<u>2,646,491</u>	<u>2,714,539</u>
		<u><u>2,760,649</u></u>	<u><u>2,822,955</u></u>

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 15 to 35 form part of these financial statements.

APCC LIMITED

REGISTERED NUMBER:SC403155

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2018**



	Note	2018 £	2017 £
Fixed assets			
Intangible assets	13	17,500	22,500
Tangible assets	14	2,342,783	3,373,139
Investments	15	50,442	-
Investment property	16	4,216,224	1,416,942
		<u>6,626,949</u>	<u>4,812,581</u>
Current assets			
Fixed assets held for sale		182,160	182,160
Stocks	17	5,715	712,014
Debtors: falling due within one year	18	4,088,907	4,109,280
Cash at bank and in hand	19	7,116,374	7,476,926
		<u>11,393,156</u>	<u>12,480,380</u>
Creditors: falling due within one year	20	(4,243,736)	(6,143,375)
Net current assets		<u>7,149,420</u>	<u>6,337,005</u>
Total assets less current liabilities		<u>13,776,369</u>	<u>11,149,586</u>
Creditors: falling due after more than one year	21	(625,000)	(725,000)
Provisions for liabilities			
Deferred taxation	24	(70,169)	(79,787)
		<u>(70,169)</u>	<u>(79,787)</u>
Net assets		<u><u>13,081,200</u></u>	<u><u>10,344,799</u></u>
Capital and reserves			
Called up share capital	25	10	10
Other reserves		50,002	50,002
Profit and loss account		12,538,233	9,931,742
Equity attributable to owners of the parent Company		<u>12,588,245</u>	<u>9,981,754</u>
Non-controlling interests		492,955	363,045
		<u><u>13,081,200</u></u>	<u><u>10,344,799</u></u>

APCC LIMITED

REGISTERED NUMBER: SC403155



CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2018

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A P Cowie
Director

Date: 14 December 2018

The notes on pages 15 to 35 form part of these financial statements.

APCC LIMITED

REGISTERED NUMBER: SC403155

**COMPANY BALANCE SHEET
AS AT 31 MARCH 2018**



	Note	2018 £	2017 £
Fixed assets			
Intangible assets	13	17,500	22,500
Tangible assets	14	1,897,653	2,952,402
Investments	15	100,444	50,002
Investment property	16	4,216,224	1,416,942
		<u>6,231,821</u>	<u>4,441,846</u>
Current assets			
Fixed assets held for sale		182,160	182,160
Debtors: falling due within one year	18	1,923,499	2,816,728
Cash at bank and in hand	19	1,117,390	1,623,177
		<u>3,223,049</u>	<u>4,622,065</u>
Creditors: falling due within one year	20	(801,837)	(2,161,759)
Net current assets		<u>2,421,212</u>	<u>2,460,306</u>
Total assets less current liabilities		<u>8,653,033</u>	<u>6,902,152</u>
Creditors: falling due after more than one year	21	(625,000)	(725,000)
Provisions for liabilities			
Deferred taxation	24	(27,042)	(38,961)
		<u>(27,042)</u>	<u>(38,961)</u>
Net assets		<u>8,000,991</u>	<u>6,138,191</u>
Capital and reserves			
Called up share capital	25	50,012	50,012
Profit and loss account		7,950,979	6,088,179
		<u>8,000,991</u>	<u>6,138,191</u>

APCC LIMITED

REGISTERED NUMBER: SC403155



COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2018

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A P Cowie
Director

Date: 14 December 2018

The notes on pages 15 to 35 form part of these financial statements.

APCC LIMITED

REGISTERED NUMBER:SC403155



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital £	Other reserves £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 April 2016	10	50,002	8,273,953	8,323,965	257,629	8,581,594
Profit for the year	-	-	2,714,539	2,714,539	108,416	2,822,955
Dividends: Equity capital	-	-	(1,056,750)	(1,056,750)	-	(1,056,750)
Gain on consolidation	-	-	-	-	27,000	27,000
Dividends	-	-	-	-	(30,000)	(30,000)
At 1 April 2017	10	50,002	9,931,742	9,981,754	363,045	10,344,799
Profit for the year	-	-	2,646,491	2,646,491	114,158	2,760,649
Dividends: Equity capital	-	-	(40,000)	(40,000)	-	(40,000)
Gain on consolidation	-	-	-	-	41,752	41,752
Dividends	-	-	-	-	(26,000)	(26,000)
At 31 March 2018	10	50,002	2,538,233	2,588,245	492,955	13,081,200

The notes on pages 15 to 35 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2016	50,012	5,614,482	5,664,494
Profit for the year	-	1,530,447	1,530,447
Dividends: Equity capital	-	(1,056,750)	(1,056,750)
At 1 April 2017	50,012	6,088,179	6,138,191
Profit for the year	-	1,902,800	1,902,800
Dividends: Equity capital	-	(40,000)	(40,000)
At 31 March 2018	50,012	7,950,979	8,000,991

The notes on pages 15 to 35 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	2,760,649	2,822,955
Adjustments for:		
Amortisation of intangible assets	5,000	5,000
Depreciation of tangible assets	125,749	130,375
Loss on disposal of tangible assets	5,046	34,994
Decrease / (increase) in stocks	706,299	(222,037)
Interest payable	113,329	169,733
Interest receivable	(8,214)	(11,840)
Taxation charge	640,213	719,119
Decrease in debtors	10,760	1,464,173
(Increase) / decrease in amounts owed by related parties	(5)	2,634
Decrease in creditors	(1,887,959)	(2,857,484)
Corporation tax paid	(651,519)	(1,081,102)
Other non cash movements	41,752	27,000
Net cash generated from operating activities	1,861,100	1,203,520
Cash flows from investing activities		
Purchase of tangible fixed assets	(191,588)	(640,221)
Sale of tangible fixed assets	6,968	38,201
Purchase of investment properties	(1,715,101)	-
Purchase of unlisted and other investments	(50,442)	-
Interest received	8,214	11,840
Net cash from investing activities	(1,941,949)	(590,180)

APCC LIMITED



**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	2017 £
Cash flows from financing activities		
Repayment of loans	(100,374)	(101,256)
Dividends paid on equity	(40,000)	(1,056,750)
Interest paid	(113,329)	(169,733)
Dividends paid to non controlling interests	(26,000)	(30,000)
Net cash used in financing activities	(279,703)	(1,357,739)
Net increase / (decrease) in cash and cash equivalents	(360,552)	(744,399)
Cash and cash equivalents at beginning of year	7,476,926	8,221,325
Cash and cash equivalents at the end of year	7,116,374	7,476,926
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	7,116,374	7,476,926
	7,116,374	7,476,926

1. General information

APCC Limited is a company limited by shares and incorporated in Scotland. The registered office is 6 Mounie Drive, Barra Business Park, Oldmeldrum, Aberdeenshire, AB51 0GX. The principal activities of the Group are that of building contractors and the provision of floor and wall covering.

The Group consists of APCC Limited and all of its subsidiaries.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of APCC Limited and its own subsidiaries, Andrew Cowie Construction Limited and East West Flooring Company Limited ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. This has been accounted for using merger accounting principles.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The director, having made due and careful enquiry, is of the opinion that the Company has adequate working capital to execute its operations over the next 12 months. The director, therefore, has made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the director has continued to adopt the going concern basis of accounting in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases: the Group as lessor

Rentals income from operating leases is credited to the Consolidated statement of comprehensive income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

The Group contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

Employer Financed Retirement Benefit Scheme (EFRBS)

In a previous accounting period the Group established an EFRBS for the benefit of its officers, employees and their wider families, The Andrew Cowie Construction Limited 2012 EFRBS ("the Scheme").

In accordance with FRS 102, the Group does not include the assets and liabilities of the Scheme on its balance sheet to the extent that it considers that it will not retain any future economic benefit from the assets of the Scheme and will not have control of the rights or other access to those future economic benefits.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses.

On transition to FRS 102 the useful life of goodwill was revised as having a finite life of 10 years. This results a change in estimates and has no impact of prior periods.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to Profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- Not depreciated
Plant & machinery	- 20% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures & fittings	- 25% reducing balance
Office equipment	- 20% reducing balance
Assets under construction	- Not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

2.14 Investment property

- Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated statement of comprehensive income.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.16 Stocks and work in progress

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 stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.17 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.19 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.21 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.21 Financial instruments (continued)

discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.22 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements, requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance sheet date and the amounts reported during the year for revenue and costs. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following judgements and estimates have had the most significant impact on amounts recognised in the financial statements.

Profit recognition on long term contracts

In assessing profit on long term contracts that span the period end, an estimate is required for the stage of completion on individual contracts (where the outcome can be assessed with reasonable certainty). The estimate is determined by management making use of all information available at the time, in order to make a reasonable judgement on the stage of completion and the forecast profitability of the overall contract.

Debtor provisions

The Group makes an assessment of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management consider various factors including the ageing profile of debtors and historical experience.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

4. Turnover

No analysis of turnover by class is provided, as the director believes such an analysis would be prejudicial to the Group's best interests.

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	125,749	130,375
Amortisation of intangible assets, including goodwill	5,000	5,000
Other operating lease rentals	9,600	9,600
Defined contribution pension cost	62,950	79,604
Loss on disposal of tangible fixed assets	5,046	34,994
	<u>168,345</u>	<u>259,569</u>

6. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	30,450	31,120
	<u>30,450</u>	<u>31,120</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**



7. Employees

Staff costs, including director's remuneration, were as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Wages and salaries	2,842,092	2,967,241	7,517	8,183
Social security costs	296,502	337,042	-	17
Cost of defined contribution scheme	62,950	79,604	-	-
	<u>3,201,544</u>	<u>3,383,887</u>	<u>7,517</u>	<u>8,200</u>

The average monthly number of employees, including the director, during the year was as follows:

	2018 No.	2017 No.
Management	1	1
Labour	50	53
Mechanic	1	2
Administration	21	24
	<u>73</u>	<u>80</u>

8. Director's remuneration

	2018 £	2017 £
Director's emoluments	<u>7,517</u>	<u>8,183</u>

During the year retirement benefits were accruing to no directors (2017 - 1) in respect of defined contribution pension schemes.

The Group, in order to motivate and incentivise its officers and employees, has, made contributions to a previously established employer financed retirement benefit scheme for the benefit of the Group's officers, employees and their wider families, The Andrew Cowie Construction Limited 2012 EFRBS ("the Scheme"). No contributions were made to the scheme during the accounting period.

9. Interest receivable

	2018 £	2017 £
Other interest receivable	<u>8,214</u>	<u>11,840</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

10. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	20,030	23,467
Other loan interest payable	91,831	146,178
Other interest payable	1,468	88
	<u>113,329</u>	<u>169,733</u>

11. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	649,831	747,149
Adjustments in respect of previous periods	-	(134)
Total current tax	<u>649,831</u>	<u>747,015</u>
Deferred tax		
Origination and reversal of timing differences	(9,724)	(21,913)
Tax rate change on opening balance	-	(5,983)
Over provision	106	-
Total deferred tax	<u>(9,618)</u>	<u>(27,896)</u>
Taxation on profit on ordinary activities	<u>640,213</u>	<u>719,119</u>

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	3,939,979	3,542,074
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	748,596	708,415
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,117	7,455
Fixed asset differences	70	98
Adjustments to tax charge in respect of prior periods	(19)	-
Adjustment due to changes in deferred tax rates	1,144	(2,115)
Capital gains	(16,695)	-
Other differences leading to an increase (decrease) in the tax charge	-	5,266
Group relief	(95,000)	-
Total tax charge for the year	640,213	719,119

Factors that may affect future tax charges

On 15 September 2016, the finance bill was updated to further reduce the main rate of UK corporation tax to 19% with effect from 1 April 2017 and to 17% with effect from 1 April 2020.

12. Dividends

	2018 £	2017 £
Ordinary		
Dividends paid (£21.07 per share)	-	1,000,000
Equity, class 2		
Dividends paid (£13.14 per share)	-	16,750
Equity, class 3		
Dividends paid (£31.37 per share)	40,000	40,000
	40,000	1,056,750

13. Intangible assets**Group**

	Goodwill £
Cost	
At 1 April 2017	750,000
At 31 March 2018	<u>750,000</u>
Amortisation	
At 1 April 2017	727,500
Charge for the year	5,000
At 31 March 2018	<u>732,500</u>
Net book value	
At 31 March 2018	<u>17,500</u>
At 31 March 2017	<u>22,500</u>

Company

	Goodwill £
Cost	
At 1 April 2017	50,000
At 31 March 2018	<u>50,000</u>
Amortisation	
At 1 April 2017	27,500
Charge for the year	5,000
At 31 March 2018	<u>32,500</u>
Net book value	
At 31 March 2018	<u>17,500</u>
At 31 March 2017	<u>22,500</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

14. Tangible fixed assets

Group

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Assets under construction £	Total £
Cost or valuation							
At 1 April 2017	2,420,900	430,143	469,743	18,943	140,380	496,909	3,977,018
Additions	32,515	27,240	119,924	3,416	8,493	-	191,588
Transfers to investment properties	(771,664)	-	-	-	-	(312,517)	(1,084,181)
Disposals	-	-	(35,972)	-	(583)	-	(36,555)
Transfers between classes	184,392	-	-	-	-	(184,392)	-
At 31 March 2018	<u>1,866,143</u>	<u>457,383</u>	<u>553,695</u>	<u>22,359</u>	<u>148,290</u>	<u>-</u>	<u>3,047,870</u>
Depreciation							
At 1 April 2017	-	311,162	207,483	7,641	77,593	-	603,879
Charge for the year on owned assets	-	27,253	82,461	2,453	13,582	-	125,749
Disposals	-	-	(24,309)	-	(232)	-	(24,541)
At 31 March 2018	<u>-</u>	<u>338,415</u>	<u>265,635</u>	<u>10,094</u>	<u>90,943</u>	<u>-</u>	<u>705,087</u>
Net book value							
At 31 March 2018	<u><u>1,866,143</u></u>	<u><u>118,968</u></u>	<u><u>288,060</u></u>	<u><u>12,265</u></u>	<u><u>57,347</u></u>	<u><u>-</u></u>	<u><u>2,342,783</u></u>
At 31 March 2017	<u><u>2,420,900</u></u>	<u><u>118,981</u></u>	<u><u>262,260</u></u>	<u><u>11,302</u></u>	<u><u>62,787</u></u>	<u><u>496,909</u></u>	<u><u>3,373,139</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

14. Tangible fixed assets (continued)

Company

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Assets under construction £	Total £
Cost or valuation						
At 1 April 2017	2,420,900	75,789	28,486	3,748	496,909	3,025,832
Additions	32,515	-	20,000	-	-	52,515
Transfers to investment properties	(771,664)	-	-	-	(312,517)	(1,084,181)
Disposals	-	-	(28,486)	-	-	(28,486)
Transfers between classes	184,392	-	-	-	(184,392)	-
At 31 March 2018	<u>1,866,143</u>	<u>75,789</u>	<u>20,000</u>	<u>3,748</u>	<u>-</u>	<u>1,965,680</u>
Depreciation						
At 1 April 2017	-	59,245	12,018	2,167	-	73,430
Charge for the year on owned assets	-	4,136	4,695	395	-	9,226
Disposals	-	-	(14,629)	-	-	(14,629)
At 31 March 2018	<u>-</u>	<u>63,381</u>	<u>2,084</u>	<u>2,562</u>	<u>-</u>	<u>68,027</u>
Net book value						
At 31 March 2018	<u>1,866,143</u>	<u>12,408</u>	<u>17,916</u>	<u>1,186</u>	<u>-</u>	<u>1,897,653</u>
At 31 March 2017	<u>2,420,900</u>	<u>16,544</u>	<u>16,468</u>	<u>1,581</u>	<u>496,909</u>	<u>2,952,402</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

15. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal place of business
Andrew Cowie Construction Limited	Ordinary	90 %	6 Mounie Drive, Barra Business Park, Oldmeldrum, Aberdeenshire, AB51 0GX
East West Flooring Company Limited	Ordinary	100 %	6 Mounie Drive, Barra Business Park, Oldmeldrum, Aberdeenshire, AB51 0GX

Company

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 April 2017	50,002	-	50,002
Additions	-	50,442	50,442
At 31 March 2018	<u>50,002</u>	<u>50,442</u>	<u>100,444</u>
Net book value			
At 31 March 2018	<u>50,002</u>	<u>50,442</u>	<u>100,444</u>
At 31 March 2017	<u>50,002</u>	<u>-</u>	<u>50,002</u>

APCC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018



16. Investment property

Group

	Freehold investment property £
Valuation	
At 1 April 2017	1,416,942
Additions at cost	1,715,101
Transfers from tangible fixed assets	1,084,181
At 31 March 2018	4,216,224

The 2014 valuations were made by Knight Frank LLP and DM Hall LLP, on an open market value for existing use basis. Any additions to the investment properties are valued at cost. The director is of the opinion that these valuations remain appropriate and there is no evidence at the balance sheet date.

Company

	Freehold investment property £
Valuation	
At 1 April 2017	1,416,942
Additions at cost	1,715,101
Transfers from tangible fixed assets	1,084,181
At 31 March 2018	4,216,224

The 2014 valuations were made by Knight Frank LLP and DM Hall LLP, on an open market value for existing use basis. Any additions to the investment properties are valued at cost. The director is of the opinion that these valuations remain appropriate and there is no evidence of impairment at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

17. Stocks

	Group 2018 £	Group 2017 £
Raw materials	5,715	4,527
Work in progress	-	707,487
	<u>5,715</u>	<u>712,014</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	1,745,292	2,373,611	37,584	5,361
Amounts owed by group undertakings	-	-	1,849,068	2,772,667
Amounts owed by related parties	30,723	30,718	30,000	30,000
Other debtors	9,125	21,739	-	-
Prepayments and accrued income	131,840	134,050	6,847	8,700
Amounts recoverable on long term contracts	2,171,927	1,549,162	-	-
	<u>4,088,907</u>	<u>4,109,280</u>	<u>1,923,499</u>	<u>2,816,728</u>

19. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	<u>7,116,374</u>	<u>7,476,926</u>	<u>1,117,390</u>	<u>1,623,177</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

20. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank loans	104,955	105,329	104,955	105,329
Trade creditors	2,656,641	3,036,951	12,728	12,463
Amounts owed to group undertakings	-	-	5,459	15,605
Corporation tax	286,402	297,708	142,105	154,531
Taxation and social security	203,285	351,937	12,021	2,755
Other creditors	401,776	1,750,539	401,776	1,750,539
Accruals and deferred income	590,677	600,911	122,793	120,537
	<u>4,243,736</u>	<u>6,143,375</u>	<u>801,837</u>	<u>2,161,759</u>

The bank facilities are secured by a standard security over one of the investment properties.

21. Creditors: Amounts falling due after more than one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank loans	<u>625,000</u>	<u>725,000</u>	<u>625,000</u>	<u>725,000</u>

Please provide details of the terms of payment or repayment and the rates of any interest payable on the amounts repayable more than five years after the Balance sheet date.

22. Loans

The bank loan amounts fall due as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Amounts falling due within one year				
Bank loans	104,955	105,329	104,955	105,329
Amounts falling due between 1 - 2 years				
Bank loans	100,000	100,000	100,000	100,000
Amounts falling due between 2 - 5 years				
Bank loans	<u>525,000</u>	<u>625,000</u>	<u>525,000</u>	<u>625,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018



23. Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Financial assets				
Financial assets measured at fair value through profit or loss	7,116,374	7,476,926	1,117,390	1,623,177
Financial assets that are debt instruments measured at amortised cost	1,835,615	2,474,404	1,916,652	2,808,028
	<u>8,951,989</u>	<u>9,951,330</u>	<u>3,034,042</u>	<u>4,431,205</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(3,977,273)	(4,468,191)	(870,935)	(978,934)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors, amounts owed by related parties, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and deferred income and bank loans.

24. Deferred taxation

Group

	2018 £	2017 £
At beginning of year	79,787	107,683
Charged to profit or loss	(9,618)	(27,896)
At end of year	<u>70,169</u>	<u>79,787</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

24. Deferred taxation (continued)

Company

	2018 £	2017 £
At beginning of year	38,961	37,051
Charged/(credited) to profit or loss	(11,919)	1,910
At end of year	27,042	38,961

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Accelerated capital allowances	112,168	104,707	41,980	38,961
Capital gains	(14,938)	-	(14,938)	-
Short term timing differences	(27,061)	(24,920)	-	-
	70,169	79,787	27,042	38,961

25. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
10 (2017 - 10) Ordinary shares of £1.00 each	10	10

At the year end the Company had 47,462 Ordinary shares of £1 each (2017 - 47,462), 1,275 Ordinary "B" shares of £1 each (2017 - 1,275) and 1,275 Ordinary "C" shares of £1 each (2017 - 1,275).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**



26. Pension commitments

During the year, the Group contributed £62,950 (2017 - £79,604) to defined contribution pension schemes on behalf of employees. There were no pension contributions outstanding at the year end.

27. Commitments under operating leases

At 31 March 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £
Not later than 1 year	132,000	139,200
Later than 1 year and not later than 5 years	528,000	528,000
Later than 5 years	297,000	429,000
Total	957,000	1,096,200

28. Related party transactions**Transactions**

The Company has taken advantage of the exemption from disclosing transactions with subsidiaries that are 100% owned under FRS 102 section 33.1A. All other related party transactions are as noted below:

Group

Related Party	Transaction	£	Balance due at the year end £
A subsidiary company	Purchases	(28,536)	
	Sales	261,204	1,843,984
A company under common control	Purchases	(900,361)	
	Sales	13,162	723
Director	Dividend	(40,000)	
	Loan movement	1,348,763	
	Loan interest	(91,831)	(401,776)

Company

Related Party	Transaction	£	Balance due at the year end £
A subsidiary company	Purchases	(28,536)	
	Sales	261,204	1,843,984
Director	Dividend	(40,000)	
	Loan movement	1,348,763	
	Loan interest	(91,831)	(401,776)

29. Controlling party

During the year the Group and Company were controlled by the director.