

Aran Services Limited
Financial statements
31 March 2014

Company Registration Number 05045144



Aran Services Limited

Financial statements

Year ended 31 March 2014

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Aran Services Limited

Company information

The board of directors	K A Morris S C Lansdown
Company secretary	I M Morris
Registered office	Units 1-6 The Old Station Higham Bury St Edmunds Suffolk IP28 6NE
Auditor	Lovewell Blake LLP Chartered Accountants Statutory Auditor First Floor Suite 2 Hillside Business Park Bury St Edmunds IP32 7EA
Bankers	HSBC 54 Abbeygate Street Suffolk Bury St Edmunds IP33 1LJ

Aran Services Limited

Strategic report

Year ended 31 March 2014

General

The principal activity of the company during the year was to offer "Whole House" energy efficient solutions for domestic households under the ECO (Energy Company Obligation) and Green Deal schemes delivering insulation, heating and renewable energy saving measures to reduce customer fuel bills and reduce CO2 emissions of buildings within the United Kingdom.

Measurement

The key financial performance indicators are considered to be turnover and gross margin. Given the straightforward nature of the business, the company director is of the opinion that further analysis of key performance indicators is not necessary in understanding the development, performance or position of the business.

Review of the year

The company's turnover rose in excess of 60% compared to the previous year, a better than expected increase. In addition overheads have reduced, in particular due to a streamlining of the business in the early part of the year and a reduction in staff numbers.

Principal risks and uncertainties

The key business risks and uncertainties affecting the company are considered to relate to the potential future market saturation and the changes to Government energy policies.

Signed on behalf of the directors



K A Morris
Director

Approved by the directors on **22/09/2014**

Aran Services Limited

Directors' report

Year ended 31 March 2014

The directors present their report and the financial statements of the company for the year ended 31 March 2014.

Results and dividends

The profit for the year, after taxation, amounted to £1,445,550. Particulars of dividends paid are detailed in note 8 to the financial statements.

Directors

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

K A Morris
S C Lansdown

Directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Aran Services Limited

Directors' report *(continued)*

Year ended 31 March 2014

Auditor

Lovewell Blake LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
Units 1-6
The Old Station
Higham
Bury St Edmunds
Suffolk
IP28 6NE

Signed on behalf of the directors



K A Morris
Director

Approved by the directors on 22/01/2014

Aran Services Limited

Independent auditor's report to the shareholders of Aran Services Limited

Year ended 31 March 2014

We have audited the financial statements of Aran Services Limited for the year ended 31 March 2014 on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

DAVID BULLER FCA (Senior Statutory Auditor)
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor
Bury St Edmunds
7 October 2014

Aran Services Limited

Profit and loss account

Year ended 31 March 2014

	Note	2014 £	2013 £
Turnover	2	13,781,317	8,551,795
Cost of sales		(9,946,096)	(5,663,993)
Gross profit		<u>3,835,221</u>	<u>2,887,802</u>
Administrative expenses		(1,950,720)	(2,375,204)
Other operating income		9,295	596
Operating profit	3	<u>1,893,796</u>	<u>513,194</u>
Interest receivable		250	349
Interest payable and similar charges	6	(12,130)	(13,992)
Profit on ordinary activities before taxation		<u>1,881,916</u>	<u>499,551</u>
Tax on profit on ordinary activities	7	(436,366)	(114,732)
Profit for the financial year		<u><u>1,445,550</u></u>	<u><u>384,819</u></u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 15 form part of these financial statements.

Aran Services Limited

Balance sheet

31 March 2014

	Note	2014		2013	
		£	£	£	£
Fixed assets					
Tangible assets	9		222,603		263,265
Current assets					
Stocks	10	97,578		158,377	
Debtors	11	4,056,810		1,732,221	
Cash at bank and in hand		1,849,029		1,338,466	
		<u>6,003,417</u>		<u>3,229,064</u>	
Creditors: Amounts falling due within one year	13	<u>(2,675,417)</u>		<u>(1,328,561)</u>	
Net current assets			3,328,000		1,900,503
Total assets less current liabilities			3,550,603		2,163,768
Creditors: Amounts falling due after more than one year	14		<u>(60,404)</u>		<u>(19,119)</u>
			<u>3,490,199</u>		<u>2,144,649</u>
Capital and reserves					
Called-up equity share capital	19		100		100
Profit and loss account	20		3,490,099		2,144,549
Shareholders' funds	21		<u>3,490,199</u>		<u>2,144,649</u>

These financial statements were approved by the directors and authorised for issue on ~~22/09/2014~~ and are signed on their behalf by:



.....
K A Morris



.....
S C Lansdown

Company Registration Number: 05045144

The notes on pages 9 to 15 form part of these financial statements.

Aran Services Limited

Cash flow statement

Year ended 31 March 2014

	Note	2014 £	2013 £
Net cash inflow from operating activities		783,138	800,049
Returns on investments and Servicing of finance			
Interest received		250	349
Interest element of hire purchase		(12,130)	(13,992)
Net cash outflow from returns on investments and servicing of finance		(11,880)	(13,643)
Taxation		(127,708)	(172,293)
Capital expenditure			
Payments to acquire tangible fixed assets		(173,953)	(196,043)
Receipts from sale of fixed assets		114,138	35,300
Net cash outflow from capital expenditure		(59,815)	(160,743)
Equity dividends paid		(100,000)	(300,000)
Cash inflow before financing		483,735	153,370
Financing			
Capital element of hire purchase		26,828	(90,437)
Net cash inflow/(outflow) from financing		26,828	(90,437)
Increase in cash	22	510,563	62,933
Reconciliation of operating profit to net cash inflow from operating activities			
		2014 £	2013 £
Operating profit		1,893,796	513,194
Depreciation		186,211	187,455
Profit on disposal of fixed assets		(85,734)	(26,633)
Decrease/(increase) in stocks		60,799	(4,978)
(Increase)/decrease in debtors		(2,332,008)	75,143
Increase in creditors		1,060,074	55,868
Net cash inflow from operating activities		783,138	800,049

The notes on pages 9 to 15 form part of these financial statements.

Aran Services Limited

Notes to the financial statements

Year ended 31 March 2014

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Turnover

The turnover shown in the profit and loss account represents the amount of goods and services provided during the year, exclusive of Value Added Tax.

Uninvoiced income attributable to contracts is included within debtors, at sales value.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

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

Leasehold Property	-	20% straight line
Plant & Machinery	-	20% - 50% straight line
Fixtures & Fittings	-	20% - 33% straight line
Motor Vehicles	-	25% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

Aran Services Limited

Notes to the financial statements

Year ended 31 March 2014

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2014 £	2013 £
United Kingdom	<u>13,781,317</u>	<u>8,551,795</u>

3. Operating profit

Operating profit is stated after charging/(crediting):

	2014 £	2013 £
Depreciation of owned fixed assets	111,920	117,169
Depreciation of assets held under hire purchase agreements	74,291	70,286
Profit on disposal of fixed assets	(85,734)	(26,633)
Auditor's remuneration		
- as auditor	6,040	5,375
Operating lease costs:		
- Plant and equipment	<u>75,567</u>	<u>65,767</u>

4. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2014 No	2013 No
Number of staff - total	<u>45</u>	<u>83</u>

The aggregate payroll costs of the above were:

	2014 £	2013 £
Wages and salaries	1,655,138	2,424,401
Social security costs	180,636	254,000
Other pension costs	25,719	18,484
	<u>1,861,493</u>	<u>2,696,885</u>

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2014 £	2013 £
Remuneration receivable	188,380	176,640
Value of company pension contributions to money purchase schemes	<u>13,000</u>	<u>5,000</u>
	<u>201,380</u>	<u>181,640</u>

Aran Services Limited

Notes to the financial statements

Year ended 31 March 2014

5. Directors' remuneration (continued)

The number of directors who accrued benefits under company pension schemes was as follows:

	2014 No	2013 No
Money purchase schemes	<u>2</u>	<u>2</u>

6. Interest payable and similar charges

	2014 £	2013 £
Finance charges	<u>12,130</u>	<u>13,992</u>

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2014 £	2013 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 23% (2013 - 22.37%)	<u>428,947</u>	<u>127,708</u>
Total current tax	428,947	127,708
Deferred tax:		
Origination and reversal of timing differences (note 12)		
Capital allowances	<u>7,419</u>	<u>(12,976)</u>
Tax on profit on ordinary activities	<u>436,366</u>	<u>114,732</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 23% (2013 - 22.37%).

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>1,881,916</u>	<u>499,551</u>
Profit on ordinary activities by rate of tax	432,841	111,761
Expenses not deductible	2,347	1,048
Depreciation for period in excess of capital allowances	<u>(6,241)</u>	<u>14,899</u>
Total current tax (note 7(a))	<u>428,947</u>	<u>127,708</u>

Aran Services Limited

Notes to the financial statements

Year ended 31 March 2014

8. Dividends

Equity dividends

	2014 £	2013 £
Paid		
Dividends on equity shares	100,000	300,000

9. Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 April 2013	76,202	142,462	68,378	682,296	969,338
Additions	–	15,725	1,199	157,029	173,953
Disposals	–	(13,773)	(8,973)	(328,618)	(351,364)
At 31 March 2014	<u>76,202</u>	<u>144,414</u>	<u>60,604</u>	<u>510,707</u>	<u>791,927</u>
Depreciation					
At 1 April 2013	56,407	134,510	52,363	462,793	706,073
Charge for the year	7,681	15,799	11,123	151,608	186,211
On disposals	–	(13,773)	(8,973)	(300,214)	(322,960)
At 31 March 2014	<u>64,088</u>	<u>136,536</u>	<u>54,513</u>	<u>314,187</u>	<u>569,324</u>
Net book value					
At 31 March 2014	<u>12,114</u>	<u>7,878</u>	<u>6,091</u>	<u>196,520</u>	<u>222,603</u>
At 31 March 2013	<u>19,795</u>	<u>7,952</u>	<u>16,015</u>	<u>219,503</u>	<u>263,265</u>

Hire purchase agreements

Included within the net book value of £222,603 is £116,211 (2013 - £95,609) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £74,291 (2013 - £70,286).

10. Stocks

	2014 £	2013 £
Raw materials	97,578	158,377

11. Debtors

	2014 £	2013 £
Trade debtors	3,909,796	1,514,111
VAT recoverable	83,604	169,236
Prepayments and accrued income	57,853	35,898
Deferred taxation (note 12)	5,557	12,976
	<u>4,056,810</u>	<u>1,732,221</u>

Aran Services Limited

Notes to the financial statements

Year ended 31 March 2014

12. Deferred taxation

The deferred tax included in the Balance sheet is as follows:

	2014 £	2013 £
Included in debtors (note 11)	5,557	12,976

The movement in the deferred taxation account during the year was:

	2014 £	2013 £
Balance brought forward	12,976	-
Profit and loss account movement arising during the year	(7,419)	12,976
Balance carried forward	5,557	12,976

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2014 £	2013 £
Excess of depreciation over taxation allowances	5,557	12,976
	5,557	12,976

13. Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	1,175,201	767,643
Corporation tax	428,947	127,708
PAYE and social security	115,361	96,993
Hire purchase agreements	53,099	67,556
Other creditors	480,758	105,568
Accruals and deferred income	422,051	163,093
	2,675,417	1,328,561

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

	2014 £	2013 £
Hire purchase agreements	60,404	19,119

15. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2014 £	2013 £
Hire purchase agreements are analysed as follows:		
Current obligations	53,099	67,556
Non-current obligations	60,404	19,119
	113,503	86,675

Aran Services Limited

Notes to the financial statements

Year ended 31 March 2014

16. Pensions

The company operates a defined contribution pension scheme for the benefit of the employees and the directors. The company paid contributions of £25,719 (2013 - £18,484) during the year. Outstanding contributions at the end of the financial year amounted to £1,512 (2013 - £1,591).

17. Commitments under operating leases

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	2014		2013	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire:				
Within 1 year	-	29,496	-	34,248
Within 2 to 5 years	39,000	4,956	-	-
After more than 5 years	-	-	39,000	-
	<u>39,000</u>	<u>34,452</u>	<u>39,000</u>	<u>34,248</u>

18. Related party transactions

The company was under the control of K A Morris throughout the current and previous year. K A Morris has provided personal guarantees to the providers of asset loan finance.

During the year the company paid dividends to the directors as follows:

	2014 £	2013 £
K A Morris	70,000	210,000
S C Lansdown	30,000	90,000

19. Share capital

Authorised share capital:

	2014 £	2013 £
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

20. Profit and loss account

	2014 £	2013 £
Balance brought forward	2,144,549	2,059,730
Profit for the financial year	1,445,550	384,819
Equity dividends	(100,000)	(300,000)
Balance carried forward	<u>3,490,099</u>	<u>2,144,549</u>

Aran Services Limited

Notes to the financial statements

Year ended 31 March 2014

21. Reconciliation of movements in shareholders' funds

	2014	2013
	£	£
Profit for the financial year	1,445,550	384,819
Equity dividends	<u>(100,000)</u>	<u>(300,000)</u>
Net addition to shareholders' funds	1,345,550	84,819
Opening shareholders' funds	2,144,649	2,059,830
Closing shareholders' funds	<u>3,490,199</u>	<u>2,144,649</u>

22. Reconciliation of net cash flow to movement in net funds

	2014		2013	
	£	£	£	£
Increase in cash in the period	510,563		62,933	
Cash outflow in respect of hire purchase	<u>(26,828)</u>		<u>90,437</u>	
		483,735		153,370
Change in net funds		483,735		153,370
Net funds at 1 April 2013		1,251,791		1,098,421
Net funds at 31 March 2014		<u>1,735,526</u>		<u>1,251,791</u>

23. Analysis of changes in net funds

	At 1 Apr 2013	Cash flows	At 31 Mar 2014
	£	£	£
Net cash:			
Cash in hand and at bank	<u>1,338,466</u>	<u>510,563</u>	<u>1,849,029</u>
Debt:			
Hire purchase agreements	<u>(86,675)</u>	<u>(26,828)</u>	<u>(113,503)</u>
Net funds	<u>1,251,791</u>	<u>483,735</u>	<u>1,735,526</u>