

AMA Construction (Edinburgh) Limited
Filleted Unaudited Financial Statements
31 December 2017



AMA Construction (Edinburgh) Limited

Financial Statements

Year ended 31 December 2017

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AMA Construction (Edinburgh) Limited

Officers and Professional Advisers

The board of directors

M. Afshar
A.B. Afshar
M.H. Afshar
M.T. Afshar

Registered office

15 Coates Crescent
Edinburgh
EH3 7AF

Accountants

McDonald Gordon & Co Ltd
Chartered Certified Accountants
29 York Place, Edinburgh, EH1 3HP

AMA Construction (Edinburgh) Limited

Chartered Certified Accountants Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of AMA Construction (Edinburgh) Limited

Year ended 31 December 2017

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of AMA Construction (Edinburgh) Limited for the year ended 31 December 2017, which comprise the statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at www.accaglobal.com/en/member/professional-standards/rules-standards/acca-rulebook.html.

This report is made solely to the Board of Directors of AMA Construction (Edinburgh) Limited, as a body, in accordance with the terms of our engagement letter dated 27 May 2014. Our work has been undertaken solely to prepare for your approval the financial statements of AMA Construction (Edinburgh) Limited and state those matters that we have agreed to state to you, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at www.accaglobal.com/content/dam/ACCA_Global/Technical/fact/technical-factsheet-163.pdf. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than AMA Construction (Edinburgh) Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that AMA Construction (Edinburgh) Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of AMA Construction (Edinburgh) Limited. You consider that AMA Construction (Edinburgh) Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of AMA Construction (Edinburgh) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



McDONALD GORDON & CO LTD
Chartered Certified Accountants

29 York Place, Edinburgh, EH1 3HP

3 July 2018

AMA Construction (Edinburgh) Limited

Statement of Financial Position

31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	6	1,805	2,261
Investments	7	—	2
		<u>1,805</u>	<u>2,263</u>
Current assets			
Debtors	8	3,115,704	1,900,091
Cash at bank and in hand		14,331	160,015
		<u>3,130,035</u>	<u>2,060,106</u>
Creditors: amounts falling due within one year	9	<u>2,442,506</u>	<u>1,403,961</u>
Net current assets		<u>687,529</u>	<u>656,145</u>
Total assets less current liabilities		<u>689,334</u>	<u>658,408</u>
Provisions		<u>343</u>	<u>452</u>
Net assets		<u>688,991</u>	<u>657,956</u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		<u>688,891</u>	<u>657,856</u>
Shareholders funds		<u>688,991</u>	<u>657,956</u>

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

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

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

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

The notes on pages 5 to 10 form part of these financial statements.

AMA Construction (Edinburgh) Limited

Statement of Financial Position *(continued)*

31 December 2017

These financial statements were approved by the board of directors and authorised for issue on 3/7/2018, and are signed on behalf of the board by:



A.B. Afshar
Director

Company registration number: SC100586

The notes on pages 5 to 10 form part of these financial statements.

AMA Construction (Edinburgh) Limited

Notes to the Financial Statements

Year ended 31 December 2017

1. General information

The company is a private company limited by shares, registered in Scotland (SC100586). The address of the registered office is 15 Coates Crescent, Edinburgh, EH3 7AF.

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

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

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

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors have made the following estimates in the process of applying the entity's accounting policies:-

- depreciation - residual value and economic life

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for construction contracts, stated net of discounts and of Value Added Tax.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

AMA Construction (Edinburgh) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Income tax *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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

Equipment	- 20% on the reducing annual balance in equal monthly instalments
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Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

AMA Construction (Edinburgh) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Construction contracts

Where the outcome of construction contracts can be reliably estimated, contract revenue and contract costs are recognised by reference to the stage of completion of the contract activity as at the period end.

Where the outcome of construction contracts cannot be estimated reliably, revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable, and contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is expensed immediately, with a corresponding provision for an onerous contract being recognised.

Where the collectability of an amount already recognised as contract revenue is no longer probable, the uncollectible amount is expensed rather than recognised as an adjustment to the amount of contract revenue.

The entity uses the percentage of completion method to determine the amounts to be recognised in the period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred for work performed to date do not include costs relating to future activity, such as for materials or prepayments.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

AMA Construction (Edinburgh) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand includes cash and short term highly liquid investments.

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 22 (2016: 20).

5. Tax on profit

Major components of tax expense

	2017 £	2016 £
Current tax:		
UK current tax expense	1,421	46,070
Adjustments in respect of prior periods	17,620	(584)
Total current tax	<u>19,041</u>	<u>45,486</u>

AMA Construction (Edinburgh) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

5. Tax on profit *(continued)*

	2017 £	2016 £
Deferred tax:		
Origination and reversal of timing differences	(109)	(114)
Tax on profit	<u>18,932</u>	<u>45,372</u>

6. Tangible assets

	Equipment £
Cost	
At 1 January 2017 and 31 December 2017	<u>33,492</u>
Depreciation	
At 1 January 2017	31,231
Charge for the year	456
At 31 December 2017	<u>31,687</u>
Carrying amount	
At 31 December 2017	<u>1,805</u>
At 31 December 2016	<u>2,261</u>

7. Investments

	Shares in group undertakings £
Cost	
At 1 January 2017	2
Disposals	(2)
At 31 December 2017	<u>-</u>
Impairment	
At 1 January 2017 and 31 December 2017	<u>-</u>
Carrying amount	
At 31 December 2017	<u>-</u>
At 31 December 2016	<u>2</u>

AMA Construction (Edinburgh) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

8. Debtors

	2017	2016
	£	£
Amounts owed by customers on construction contracts	–	554,526
Prepayments and accrued income	75,171	122,063
Other debtors	3,040,533	1,223,502
	<u>3,115,704</u>	<u>1,900,091</u>

9. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	491,682	736,569
Amounts owed to group undertakings	–	34,118
Accruals and deferred income	161,651	341,008
Corporation tax	47,490	28,449
Social security and other taxes	356,120	84,868
Other creditors	1,385,563	178,949
	<u>2,442,506</u>	<u>1,403,961</u>

10. Financial instruments at fair value

All financial instruments are basic financial instruments.

11. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>