

FERGUSON & MENZIES LIMITED

UNAUDITED  
FINANCIAL STATEMENTS

31 MARCH 2023

**ArmstrongWatson<sup>®</sup>**  
Accountants, Business & Financial Advisers

**FERGUSON & MENZIES LIMITED**  
SC034282

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	4	610,179	500,281
		<hr/> 610,179	<hr/> 500,281
<b>Current assets</b>			
Stocks		805,330	753,758
Debtors: amounts falling due within one year	5	1,717,212	1,576,736
Cash at bank and in hand		112,113	44,540
		<hr/> 2,634,655	<hr/> 2,375,034
Creditors: amounts falling due within one year	6	(1,781,973)	(1,553,056)
		<hr/>	<hr/>
<b>Net current assets</b>		852,682	821,978
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		1,462,861	1,322,259
Creditors: amounts falling due after more than one year	7	(152,561)	(49,192)
<b>Provisions for liabilities</b>			
Deferred tax	8	(67,528)	(44,409)
		<hr/> (67,528)	<hr/> (44,409)
<b>Net assets</b>		<hr/> <u>1,242,772</u>	<hr/> <u>1,228,658</u>

**FERGUSON & MENZIES LIMITED**  
**SC034282**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
<b>Capital and reserves</b>			
Called up share capital	9	65,000	65,000
Other reserves		35,000	35,000
Profit and loss account		1,142,772	1,128,658
		<u>1,242,772</u>	<u>1,228,658</u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

.....  
**John Nicholas Proud**

Director

Date: 31 August 2023

The notes on pages 3 to 9 form part of these financial statements.

# FERGUSON & MENZIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 1. General information

Ferguson & Menzies Limited is a private company, limited by shares, registered in Scotland. The address of the registered office and principal place of business is 312 Broomloan Road, Govan, Glasgow, G51 2JW. The financial statements are presented in Pounds Sterling as this is the currency of the primary economic environment in which the company operates.

### 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

#### 2.2 Going concern

The Directors have agreed that it is appropriate to present the accounts on a Going Concern basis.

#### 2.3 Foreign currency translation

##### Functional and presentation currency

The company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

#### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company 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:

##### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

**2. Accounting policies (continued)**

**2.5 Operating leases: the company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

**2.6 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.7 Finance costs**

Finance costs are charged to profit or loss 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.

**2.8 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.9 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

**2.10 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 reporting date.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.11 Tangible fixed assets

Tangible fixed assets under the cost model 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the method detailed below.

Depreciation is provided on the following basis:

Building	-	3%	using the straight line method
Plant and machinery	-	10%	using the straight line method
Motor vehicles	-	25%	on a reducing balance basis
Fixtures and fittings	-	20%	using the straight line method

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 profit or loss.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.13 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.

2.14 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.

2.15 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

**2. Accounting policies (continued)**

**2.16 Provisions for liabilities**

Provisions are made where an event has taken place that gives the company 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 profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the reporting 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 Statement of financial position.

**2.17 Financial instruments**

The company 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.

**2.18 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. Employees**

The average monthly number of employees, including directors, during the year was 24 (2022 - 23).

**FERGUSON & MENZIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**4. Tangible fixed assets**

	Buildings and Property Improv'ts £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 April 2022	455,868	1,049,098	134,524	151,846	1,791,336
Additions	9,731	99,533	79,975	16,737	205,976
Disposals	-	-	(63,151)	-	(63,151)
At 31 March 2023	<u>465,599</u>	<u>1,148,631</u>	<u>151,348</u>	<u>168,583</u>	<u>1,934,161</u>
<b>Depreciation</b>					
At 1 April 2022	180,588	878,044	84,709	147,714	1,291,055
Charge for the year on owned assets	10,595	43,234	-	5,060	58,889
Charge for the year on financed assets	-	-	30,867	-	30,867
Disposals	-	-	(56,829)	-	(56,829)
At 31 March 2023	<u>191,183</u>	<u>921,278</u>	<u>58,747</u>	<u>152,774</u>	<u>1,323,982</u>
<b>Net book value</b>					
At 31 March 2023	<u>274,416</u>	<u>227,353</u>	<u>92,601</u>	<u>15,809</u>	<u>610,179</u>
At 31 March 2022	<u>275,280</u>	<u>171,054</u>	<u>49,815</u>	<u>4,132</u>	<u>500,281</u>

**5. Debtors**

	2023 £	2022 £
Trade debtors	1,133,606	1,020,725
Amounts owed by group undertakings	451,890	529,830
Other debtors	64,366	14,149
Prepayments and accrued income	67,350	12,032
	<u>1,717,212</u>	<u>1,576,736</u>

**FERGUSON & MENZIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**6. Creditors: Amounts falling due within one year**

	2023 £	2022 £
Bank overdrafts	681,455	348,087
Loans	30,550	-
Trade creditors	921,430	1,016,190
Corporation tax	56,525	109,433
Other taxation and social security	14,800	13,011
Obligations under finance lease and hire purchase contracts	51,575	43,157
Other creditors	-	3,174
Accruals and deferred income	25,638	20,004
	<u>1,781,973</u>	<u>1,553,056</u>

The finance leases are secured on the assets concerned.

The loan taken out this year is secured on the assets in connection to the AdBlue blending site.

**7. Creditors: Amounts falling due after more than one year**

	2023 £	2022 £
Loans	66,950	-
Net obligations under finance leases and hire purchase contracts	85,611	49,192
	<u>152,561</u>	<u>49,192</u>

The finance leases are secured on the assets concerned.

The loan taken out this year is secured on the assets in connection to the AdBlue blending site.

**8. Deferred taxation**

	2023 £	2022 £
At beginning of year	(44,409)	(23,149)
Charged to profit or loss	(23,119)	(21,260)
<b>At end of year</b>	<u>(67,528)</u>	<u>(44,409)</u>

**FERGUSON & MENZIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**8. Deferred taxation (continued)**

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(67,528)	(44,409)
	<u>(67,528)</u>	<u>(44,409)</u>

**9. Share capital**

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
65,000 (2022 - 65,000) Ordinary A shares of £1.00 each	<u>65,000</u>	<u>65,000</u>

**10. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £28,726 (2022: £26,938). Contributions totalling £3,706 (2022: £2,074) were payable to the fund at the reporting date and are included in creditors.

**11. Related party transactions**

As at the 31 March 2023, the company was owed £451,890 (2022: £529,830) by the parent company. The loan is interest-free and has no fixed date for repayment.

**12. Controlling party**

The ultimate controlling party is the parent company by virtue of its shareholding in Ferguson & Menzies Limited.

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