

Financial Statements for the Year Ended 31 December 2019

for

Smillie & Cuthbertson Limited

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for the Year Ended 31 December 2019

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Smillie & Cuthbertson Limited

Company Information
for the Year Ended 31 December 2019

DIRECTORS:

A I Mackenzie
Mrs H Mackenzie

SECRETARY:

Mrs H Mackenzie

REGISTERED OFFICE:

Riverside Works
New Mill Road
Kilmarnock
Ayrshire
KA1 3JG

REGISTERED NUMBER:

SC051984 (Scotland)

ACCOUNTANTS:

IDS and Co
Chartered Accountants
38 Beansburn
Kilmarnock
Ayrshire
KA3 1RL

Smillie & Cuthbertson Limited (Registered number: SC051984)

Balance Sheet
31 December 2019

	Notes	31.12.19 £	£	31.12.18 £	£
FIXED ASSETS					
Tangible assets	4		287,330		324,891
CURRENT ASSETS					
Stocks		3,250		2,600	
Debtors	5	1,115,227		1,083,559	
Prepayments and accrued income		10,165		8,957	
Cash at bank and in hand		43,751		32,693	
		1,172,393		1,127,809	
CREDITORS					
Amounts falling due within one year	6	628,002		599,387	
NET CURRENT ASSETS			544,391		528,422
TOTAL ASSETS LESS CURRENT LIABILITIES			831,721		853,313
CREDITORS					
Amounts falling due after more than one year	7		175,610		196,232
NET ASSETS			656,111		657,081
CAPITAL AND RESERVES					
Called up share capital	9		12,000		12,000
Retained earnings			644,111		645,081
SHAREHOLDERS' FUNDS			656,111		657,081

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

The notes form part of these financial statements

Balance Sheet - continued
31 December 2019

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 17 July 2020 and were signed on its behalf by:

A I Mackenzie - Director

Mrs H Mackenzie - Director

Notes to the Financial Statements
for the Year Ended 31 December 2019

1. STATUTORY INFORMATION

Smillie & Cuthbertson Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The company's turnover is derived from the provision of engineering services

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on reducing balance

Stocks

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

Financial instruments

Basic financial instruments are recognised at amortised cost except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit and loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2019**

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Work in progress

Where contractual obligations are performed gradually over time, revenue is recognised as contract activity progresses to reflect the partial performance of these obligations. The amount of revenue included reflects the accrual of the right to consideration as contract activity progresses by reference to value of the work performed.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 26 (2018 - 26) .

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 January 2019	694,191
Additions	22,905
At 31 December 2019	717,096
DEPRECIATION	
At 1 January 2019	369,300
Charge for year	60,466
At 31 December 2019	429,766
NET BOOK VALUE	
At 31 December 2019	287,330
At 31 December 2018	324,891

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2019**

4. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts and finance leases are as follows:

	Plant and machinery etc £
COST	
At 1 January 2019	85,848
Additions	<u>16,295</u>
At 31 December 2019	<u>102,143</u>
DEPRECIATION	
At 1 January 2019	20,871
Charge for year	<u>20,318</u>
At 31 December 2019	<u>41,189</u>
NET BOOK VALUE	
At 31 December 2019	<u>60,954</u>
At 31 December 2018	<u>64,977</u>

5. DEBTORS

	31.12.19 £	31.12.18 £
Amounts falling due within one year:		
Trade debtors	394,493	328,136
Amounts owed by group undertakings	11,871	11,255
Amounts due on contracts	19,222	19,684
Other debtors	<u>44,567</u>	<u>79,410</u>
	<u>470,153</u>	<u>438,485</u>
 Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>645,074</u>	<u>645,074</u>
 Aggregate amounts	<u>1,115,227</u>	<u>1,083,559</u>

The amounts owed are interest free and repayable on demand. The directors do not anticipate payment within the next twelve months.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2019**

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19	31.12.18
	£	£
Bank loans and overdrafts	334,711	293,169
Other loans	41,746	31,746
Hire purchase contracts and finance leases	41,234	48,149
Trade creditors	127,184	157,687
Social security and other taxes	25,477	21,917
VAT	46,798	35,337
Other creditors	3,464	1,573
Accruals and deferred income	7,388	9,809
	<u>628,002</u>	<u>599,387</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.19	31.12.18
	£	£
Other loans - 1-2 years	32,272	31,746
Other loans - 2-5 years	50,488	46,093
Hire purchase contracts and finance leases	92,850	118,393
	<u>175,610</u>	<u>196,232</u>

8. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.19	31.12.18
	£	£
Bank overdrafts	334,711	293,169
Other loans	124,506	109,585
Hire purchase contracts and finance leases	134,084	166,542
	<u>593,301</u>	<u>569,296</u>

Lloyds TSB Commercial Finance Ltd trading as Bank of Scotland Commercial Finance, hold a bond and floating charge over the whole of the property and undertaking of the company.

Bank of Scotland also hold a bond and floating charge over the whole assets of the company.

West of Scotland Loan Fund hold a bond and floating charge over the whole of the property and undertaking of the company.

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.19	31.12.18
			£	£
12,000	Ordinary	£1	<u>12,000</u>	<u>12,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

10. RELATED PARTY DISCLOSURES

During the year dividends totalling £102,500 (31.12.18 - £97,300) were paid to Smillie & Cuthbertson (Holdings) Limited, the parent company.

The following directors were paid dividends by the parent company, Smillie & Cuthbertson (Holdings) Limited during the year as outlined in the table below:

	31.12.19	31.12.18
Alasdair MacKenzie	51,250	48,650
Heather MacKenzie	<u>51,250</u>	<u>48,650</u>
	<u>102,500</u>	<u>97,300</u>

11. POST BALANCE SHEET EVENTS

COVID-19

In common with many other businesses the company had to reduce operations in March 2020 as a result of the Covid-19 pandemic. All measures have been taken to reduce costs and outgoings and applications made for available business support including Job Retention Scheme furlough claims, Business Support grants, and a CBILS government backed loan. These have enabled the business to continue to trade.

12. ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of Smillie & Cuthbertson (Holdings) Limited, a company incorporated in Scotland. The registered office and principal place of business reside at the same address as the registered office of the company; Riverside Works, New Mill Road, Kilmarnock, KA1 3JG.

Chartered Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
Smillie & Cuthbertson Limited

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Smillie & Cuthbertson Limited for the year ended 31 December 2019 which comprise the Statement of Income and Retained Earnings, Balance Sheet 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 ICAS, we are subject to its ethical and other professional requirements which are detailed at <http://www.icas.com/accountspreparationguidance>.

This report is made solely to the Board of Directors of Smillie & Cuthbertson Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Smillie & Cuthbertson Limited and state those matters that we have agreed to state to the Board of Directors of Smillie & Cuthbertson Limited, as a body, in this report in accordance with the requirements of ICAS as detailed at <http://www.icas.com/accountspreparationguidance>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Smillie & Cuthbertson 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 Smillie & Cuthbertson Limited. You consider that Smillie & Cuthbertson 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 Smillie & Cuthbertson 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.

IDS and Co
Chartered Accountants
38 Beansburn
Kilmarnock
Ayrshire
KA3 1RL

17 July 2020

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.