

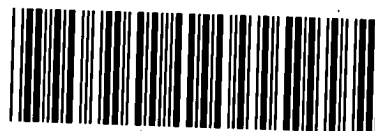
A. & J. NELSON (HAULAGE CONTRACTORS) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2017

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A. & J. NELSON (HAULAGE CONTRACTORS) LIMITED

Company Information

Directors	Mr A Nelson Mr C Nelson Mr J Nelson Mrs E Nelson Miss G Nelson Mr J S Nelson
Secretary	Mrs E Nelson
Company number	SC059157
Registered office	Great North Road Kelty Fife KY4 0HE
Auditor	Condie & Co 10 Abbey Park Place Dunfermline Fife KY12 7NZ
Bankers	Bank of Scotland PLC 2 High Street Kinross KY13 7AW
Solicitors	Andersons LLP 40 High Street Kinross KY13 8AN

A. & J. NELSON (HAULAGE CONTRACTORS) LIMITED

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A. & J. NELSON (HAULAGE CONTRACTORS) LIMITED

Strategic Report

For The Year Ended 31 October 2017

Principal activities

The principal activity of the company during the year was haulage contracting and MOT testing.

Business review

The company has continued to perform well during the past year and along with building on relationships with existing customers, they have also gained new business.

There is a profit, after taxation, of £507,219. At the balance sheet date the company had a strong net asset position and is considered to be financially secure.

Financial Risk Management Objectives and Policies

The directors are ultimately responsible for the system of internal control, which covers all aspects of the business, and for reviewing its effectiveness. However, any such system is designed to manage, rather than eliminate, the risk of failure to achieve the company's objectives. Therefore any system is only able to provide reasonable, and not absolute assurance against material misstatement or loss. The directors regularly review the risks to which the company is exposed, as well as the operation and effectiveness of the system of internal controls. This is an ongoing process, involving the identification, evaluation and management of the significant risks faced by the company.

Risks are assessed on a regular basis across all areas but, in particular, health and safety, information flow, asset protection and regulatory requirements. A principal risk to the company, as with all companies operating within this business sector, is that of the potential increases in fuel prices.

Key Performance Indicators

The key financial indicators used by the directors are detailed below:

	2017	2016	2015	2014
	£000	£000	£000	£000
Turnover	5,904	5,650	6,437	7,283
Profit/(loss) before tax	594	653	1,076	971
Gross profit	31.48%	33.16%	33.5%	27.94%
Total shareholders funds	5,805	5,489	5,232	4,682
Utilisation of vehicles	92%	92%	90%	90%

The financial and non financial indicators used above highlight that the company is continuing to perform well. The company is continuing to develop new and existing customers to increase turnover and achieve cost efficiencies.

Future developments

The company is hoping to build on their haulage contracting business and expand the MOT testing operations.

On behalf of the board



Mrs E Nelson

Director

13 April 2018

A. & J. NELSON (HAULAGE CONTRACTORS) LIMITED

Statement Of Financial Position

As At 31 October 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	4	3,597,476		3,465,066	
Investments	5	379,681		379,681	
		<u>3,977,157</u>		<u>3,844,747</u>	
Current assets					
Stocks	6	31,633		31,505	
Debtors	7	725,220		760,247	
Cash at bank and in hand		2,216,249		2,149,015	
		<u>2,973,102</u>		<u>2,940,767</u>	
Creditors: amounts falling due within one year	8	(819,265)		(920,708)	
Net current assets		<u>2,153,837</u>		<u>2,020,059</u>	
Total assets less current liabilities		6,130,994		5,864,806	
Creditors: amounts falling due after more than one year	9	(56,503)		(54,764)	
Provisions for liabilities	10	(268,655)		(321,425)	
Net assets		<u>5,805,836</u>		<u>5,488,617</u>	
Capital and reserves					
Called up share capital	11	64,625		64,625	
Profit and loss reserves		5,741,211		5,423,992	
Total equity		<u>5,805,836</u>		<u>5,488,617</u>	

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 13 April 2018 and are signed on its behalf by:



Mr C Nelson

Director

Company Registration No. SC059157

A. & J. NELSON (HAULAGE CONTRACTORS) LIMITED

Notes To The Financial Statements

For The Year Ended 31 October 2017

1 Accounting policies

Company information

A. & J. Nelson (Haulage Contractors) Limited is a private company limited by shares incorporated in Scotland. The registered office is Great North Road, Kelty, Fife, KY4 0HE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover from haulage and garage services represents the value of the services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Revenue is recognised on completion of the work done.

1.4 Tangible fixed 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 is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Nil
Plant and equipment	15%/ 20% reducing balance
Tenants Improvements	4% straight line
Motor vehicles	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

A. & J. NELSON (HAULAGE CONTRACTORS) LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 31 October 2017

1 Accounting policies

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the income statement.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.6 Fixed asset 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.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

A. & J. NELSON (HAULAGE CONTRACTORS) LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 31 October 2017

1 Accounting policies

1.9 Provisions

Provisions are recognised when the entity has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Office and management	9	9
Drivers and mechanics	42	40
	<u>51</u>	<u>49</u>

A. & J. NELSON (HAULAGE CONTRACTORS) LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 31 October 2017

3 Employees

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	1,756,825	1,652,925
Social security costs	187,730	179,773
Pension costs	57,894	57,550
	<u>2,002,449</u>	<u>1,890,248</u>

4 Tangible fixed assets

	Land and buildings £	Plant and equipment £	Tenants improvements £	Motor vehicles £	Total £
Cost or valuation					
At 1 November 2016	240,000	608,836	172,667	4,229,683	5,251,186
Additions	-	27,645	549	1,340,092	1,368,286
Disposals	-	-	-	(1,145,800)	(1,145,800)
At 31 October 2017	<u>240,000</u>	<u>636,481</u>	<u>173,216</u>	<u>4,423,975</u>	<u>5,473,672</u>
Depreciation and impairment					
At 1 November 2016	-	211,414	58,960	1,515,746	1,786,120
Depreciation charged in the year	-	60,866	6,921	594,215	662,002
Eliminated in respect of disposals	-	-	-	(571,926)	(571,926)
At 31 October 2017	<u>-</u>	<u>272,280</u>	<u>65,881</u>	<u>1,538,035</u>	<u>1,876,196</u>
Carrying amount					
At 31 October 2017	<u>240,000</u>	<u>364,201</u>	<u>107,335</u>	<u>2,885,940</u>	<u>3,597,476</u>
At 31 October 2016	<u>240,000</u>	<u>397,422</u>	<u>113,707</u>	<u>2,713,937</u>	<u>3,465,066</u>

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2017 £	2016 £
Cost	101,220	101,220
Accumulated depreciation	-	-
Carrying value	<u>101,220</u>	<u>101,220</u>

A. & J. NELSON (HAULAGE CONTRACTORS) LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 31 October 2017

4 Tangible fixed assets

Tangible fixed assets with a net book value of £3,597,476 (2016 : £3,465,066) are secured by a bond and floating charge dated 20 December 1979 held by The Bank of Scotland Plc.

The company's investment property is included in the financial statements at directors' valuation. The directors of the company are of the opinion that this value is an accurate reflection of the open market value of the property.

5 Fixed asset investments

	2017 £	2016 £
Unlisted investments	<u>379,681</u>	<u>379,681</u>

Unlisted investments above represent an investment in the following limited liability partnerships registered in England and Wales:

Big Screen Productions 16 LLP £137,389 (2016 - £137,389)

Big Screen Productions 19 LLP £97,389 (2016 - £97,389)

Big Screen Productions 23 LLP £144,903 (2016 - £144,903)

6 Stocks

	2017 £	2016 £
Raw materials and consumables	<u>31,633</u>	<u>31,505</u>

7 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	702,341	744,663
Other debtors	1,600	800
Prepayments and accrued income	<u>21,279</u>	<u>14,784</u>
	<u>725,220</u>	<u>760,247</u>

A. & J. NELSON (HAULAGE CONTRACTORS) LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 31 October 2017

8 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	225,725	270,061
Corporation tax	137,630	137,675
Other taxation and social security	136,808	189,190
Other creditors	292,376	287,088
Accruals and deferred income	26,726	36,694
	<u>819,265</u>	<u>920,708</u>

The Bank of Scotland Plc holds a bond and floating charge dated 20 December 1979 over all the assets of the company.

9 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Other creditors	<u>56,503</u>	<u>54,764</u>

10 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities		<u>268,655</u>	<u>321,425</u>

11 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
64,625 Ordinary of £1 each	<u>64,625</u>	<u>64,625</u>
	<u>64,625</u>	<u>64,625</u>

12 Reserves

Share capital account - This reserve represents the nominal value of shares that have been issued.

Profit and loss account - This reserve records retained earnings and accumulated losses. Included within this reserve is a balance of £138,780 (2016 - £138,780) which relates to the revaluation of investment property.

A. & J. NELSON (HAULAGE CONTRACTORS) LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 31 October 2017

13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Sharon Collins.

The auditor was Condie & Co.

14 Contingencies

A contingent liability exists in respect of a potential tax liability as a result of tax relief received from share of losses in investment companies for the period 2010 to 2012. The total tax relief received amounted to £515,369. There is currently an ongoing enquiry between HMRC and the investment partnerships, and at present film scheme investors are receiving accelerated payment notices demanding payment of the tax in dispute upfront. During the year, the company paid £Nil (2016: £139,687) in respect of an accelerated payment notice. However, given that an appeal has been granted to challenge the notices in court, the final outcome cannot be determined at this stage and no provision has been made in the financial statements for any tax payable.

15 Directors' transactions

Description	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Mr C Nelson -	140,000	132,000	(140,000)	132,000
	<u>140,000</u>	<u>132,000</u>	<u>(140,000)</u>	<u>132,000</u>

The loan due from the company to the director is repayable on demand and is interest free.

16 Related party transactions

The company rented its operating premises from the Trustees of the directors' Retirement and Death Benefit Scheme. The charge for the year amounted to £61,250 (2016 - £55,000). The company also paid expenses on behalf of the pension scheme totalling £4,604 (2016 - £4,998).

During the year the company paid dividends of £190,000 (2016 - £200,000) to the directors

A. & J. NELSON (HAULAGE CONTRACTORS) LIMITED

Notes To The Financial Statements (Continued)

For The Year Ended 31 October 2017

17 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	507,219	456,504
Adjustments for:		
Taxation charged	87,439	196,064
Finance costs	1,739	1,739
Investment income	(6,585)	(15,266)
Loss/(gain) on disposal of tangible fixed assets	54,024	(77,061)
Depreciation and impairment of tangible fixed assets	662,003	707,297
Movements in working capital:		
(Increase) in stocks	(128)	(4,176)
Decrease in debtors	35,024	261,114
(Decrease) in creditors	(91,658)	(3,075)
Cash generated from operations	<u>1,249,077</u>	<u>1,523,140</u>