

**Company Registration No. SC059157 (Scotland)**

**A & J NELSON (HAULAGE CONTRACTORS) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 2018**

# A & J NELSON (HAULAGE CONTRACTORS) LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	Mr A Nelson Mr C Nelson Mr J Nelson Mrs E Nelson Miss G Nelson Mr J S Nelson
<b>Secretary</b>	Mrs E Nelson
<b>Company number</b>	SC059157
<b>Registered office</b>	Great North Road Kelty Fife KY4 0HE
<b>Auditor</b>	Thomson Cooper 3 Castle Court Carnegie Campus Dunfermline Fife KY11 8PB
<b>Bankers</b>	Bank of Scotland PLC 2 High Street Kinross KY13 8AW
<b>Solicitors</b>	Andersons LLP 40 High Street Kinross KY13 8AN

---

# **A & J NELSON (HAULAGE CONTRACTORS) LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Statement of income and retained earnings	6
Statement of financial position	7
Statement of cash flows	8
Notes to the financial statements	9 - 21

---

# A & J NELSON (HAULAGE CONTRACTORS) LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 OCTOBER 2018**

---

The directors present the strategic report for the year ended 31 October 2018.

### 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 £538,013 (2017 - £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:

	2018	2017	2016
	£000	£000	£000
Turnover	6,417	5,904	5,650
Profit/(loss) before tax	668	594	653
Gross Profit	31.04%	31.48%	33.16%
Total shareholder funds	6,153	5,805	5,489
Utilisation of vehicles	94%	92%	92%

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 directors plan to build on their haulage contracting business and expand the MOT testing operations.

On behalf of the board

**Mrs E Nelson**

*Director*

17 April 2019

# **A & J NELSON (HAULAGE CONTRACTORS) LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 OCTOBER 2018**

---

The directors present their annual report and financial statements for the year ended 31 October 2018.

### **Principal activities**

The principal activity of the company continued to be that of haulage and MOT services.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A Nelson  
Mr C Nelson  
Mr J Nelson  
Mrs E Nelson  
Miss G Nelson  
Mr J S Nelson

### **Results and dividends**

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £190,000. The directors do not recommend payment of a further dividend.

### **Auditor**

Thomson Cooper were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 period. 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.

## **A & J NELSON (HAULAGE CONTRACTORS) LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 OCTOBER 2018***

---

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

**Mrs E Nelson**

*Director*

17 April 2019

# **A & J NELSON (HAULAGE CONTRACTORS) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF A & J NELSON (HAULAGE CONTRACTORS) LIMITED**

---

#### **Opinion**

We have audited the financial statements of A & J Nelson (Haulage Contractors) Limited (the 'company') for the year ended 31 October 2018 which comprise the statement of income and retained earnings, the statement of financial position, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2018 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# **A & J NELSON (HAULAGE CONTRACTORS) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF A & J NELSON (HAULAGE CONTRACTORS) LIMITED**

---

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Other matters that we are required to address**

The financial statements of A & J Nelson (Haulage Contractors) Limited for the year ended 31 October 2017 were audited by Condie & Co who expressed an unmodified opinion on those statements on 17 April 2018.

This report is made solely to the company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

**Sharon Collins (Senior Statutory Auditor)**  
**for and on behalf of Thomson Cooper**  
**Chartered Accountants &**  
**Statutory Auditor**

**19 April 2019**

3 Castle Court  
Carnegie Campus  
Dunfermline  
Fife  
KY11 8PB



# A & J NELSON (HAULAGE CONTRACTORS) LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes	2018 £	2017 £
<b>Turnover</b>	<b>3</b>	6,417,546	5,904,050
Cost of sales		(4,425,828)	(4,045,260)
<b>Gross profit</b>		1,991,718	1,858,790
Administrative expenses		(1,348,425)	(1,311,062)
Other operating income		18,451	42,084
<b>Operating profit</b>	<b>4</b>	661,744	589,812
Interest receivable and similar income	<b>8</b>	8,163	6,585
Interest payable and similar expenses	<b>9</b>	(1,739)	(1,739)
<b>Profit before taxation</b>		668,168	594,658
Tax on profit	<b>10</b>	(130,155)	(87,439)
<b>Profit for the financial year</b>		538,013	507,219
Retained earnings brought forward as previously reported		5,741,211	5,423,992
Dividends	<b>11</b>	(190,000)	(190,000)
Retained earnings carried forward		6,089,224	5,741,211

The Income Statement has been prepared on the basis that all operations are continuing operations.

# A & J NELSON (HAULAGE CONTRACTORS) LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	12	3,546,033		3,597,476	
Investments	13	379,681		379,681	
		<u>3,925,714</u>		<u>3,977,157</u>	
<b>Current assets</b>					
Stocks	15	41,900		31,633	
Debtors	16	851,872		725,220	
Cash at bank and in hand		2,538,421		2,216,249	
		<u>3,432,193</u>		<u>2,973,102</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(897,777)</u>		<u>(819,265)</u>	
<b>Net current assets</b>		<u>2,534,416</u>		<u>2,153,837</u>	
<b>Total assets less current liabilities</b>		<u>6,460,130</u>		<u>6,130,994</u>	
<b>Creditors: amounts falling due after more than one year</b>	18	(58,242)		(56,503)	
<b>Provisions for liabilities</b>	19	(248,039)		(268,655)	
<b>Net assets</b>		<u><u>6,153,849</u></u>		<u><u>5,805,836</u></u>	
<b>Capital and reserves</b>					
Called up share capital	22	64,625		64,625	
Profit and loss reserves		6,089,224		5,741,211	
<b>Total equity</b>		<u><u>6,153,849</u></u>		<u><u>5,805,836</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 17 April 2019 and are signed on its behalf by:

**Mr C Nelson**  
Director

Company Registration No. SC059157

# A & J NELSON (HAULAGE CONTRACTORS) LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28	1,324,858		1,241,078	
Interest paid		(1,739)		(1,739)	
Income taxes paid		(138,245)		(140,254)	
<b>Net cash inflow from operating activities</b>		<u>1,184,874</u>		<u>1,099,085</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,055,365)		(1,368,286)	
Proceeds on disposal of tangible fixed assets		374,500		519,850	
Interest received		-		20	
Other investment income received		8,163		6,565	
<b>Net cash used in investing activities</b>		<u>(672,702)</u>		<u>(841,851)</u>	
<b>Financing activities</b>					
Dividends paid		(190,000)		(190,000)	
<b>Net cash used in financing activities</b>		<u>(190,000)</u>		<u>(190,000)</u>	
<b>Net increase in cash and cash equivalents</b>		<u>322,172</u>		<u>67,234</u>	
Cash and cash equivalents at beginning of year		2,216,249		2,149,015	
<b>Cash and cash equivalents at end of year</b>		<u><u>2,538,421</u></u>		<u><u>2,216,249</u></u>	

# A & J NELSON (HAULAGE CONTRACTORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2018

---

### 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 controls to the extent that there is a right to consideration and is recorded at the value of consideration due. Revenue is recognised on completion of the work done.

#### 1.4 Tangible fixed assets

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

An increase in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income and accumulated equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in a 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:

Plant and equipment	15%/20% Reducing Balance
Tenant 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 2018

---

### 1 Accounting policies

(Continued)

#### 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 profit or loss.

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 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Stocks

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

#### 1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# A & J NELSON (HAULAGE CONTRACTORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

---

### 1 Accounting policies

(Continued)

#### 1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# A & J NELSON (HAULAGE CONTRACTORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

---

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.12 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.

# A & J NELSON (HAULAGE CONTRACTORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

---

### 1 Accounting policies

(Continued)

#### **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.

#### **1.13 Provisions**

Provisions are recognised when the company 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.

#### **1.14 Retirement benefits**

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

#### **1.15 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases 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.



# A & J NELSON (HAULAGE CONTRACTORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

### 3 Turnover and other revenue

	2018	2017
	£	£
<b>Turnover analysed by class of business</b>		
Haulage and garage sales	6,417,546	5,904,050
	<u>          </u>	<u>          </u>
	2018	2017
	£	£
<b>Other significant revenue</b>		
Interest income	-	20
	<u>          </u>	<u>          </u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

### 4 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	7,500	7,500
Depreciation of owned tangible fixed assets	668,568	662,002
Loss on disposal of tangible fixed assets	63,740	54,024
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2018	2017
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	7,500	7,500
	<u>          </u>	<u>          </u>

### 6 Employees

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

	2018	2017
	Number	Number
Office and management	9	9
Drivers and mechanics	44	42
	<u>          </u>	<u>          </u>
	53	51
	<u>          </u>	<u>          </u>

# A & J NELSON (HAULAGE CONTRACTORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

### 6 Employees (Continued)

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	1,843,090	1,756,825
Social security costs	222,187	187,730
Pension costs	64,703	57,894
	<u>2,129,980</u>	<u>2,002,449</u>

### 7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	303,670	303,147
Company pension contributions to defined contribution schemes	50,000	50,000
	<u>353,670</u>	<u>353,147</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2017 - 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	<u>63,430</u>	<u>60,869</u>

### 8 Interest receivable and similar income

	2018 £	2017 £
<b>Interest income</b>		
Other interest income	-	20
<b>Income from fixed asset investments</b>		
Income from other fixed asset investments	<u>8,163</u>	<u>6,565</u>
Total income	<u>8,163</u>	<u>6,585</u>

# A & J NELSON (HAULAGE CONTRACTORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

### 9 Interest payable and similar expenses

	2018	2017
	£	£
<b>Other finance costs:</b>		
Other interest	1,739	1,739
	<u>          </u>	<u>          </u>

### 10 Taxation

	2018	2017
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	150,156	137,650
Adjustments in respect of prior periods	615	2,559
	<u>          </u>	<u>          </u>
Total current tax	150,771	140,209
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(20,616)	(52,770)
	<u>          </u>	<u>          </u>
Total tax charge	130,155	87,439
	<u>          </u>	<u>          </u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018	2017
	£	£
Profit before taxation	668,168	594,658
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	126,952	118,932
Tax effect of expenses that are not deductible in determining taxable profit	1,267	6,930
Permanent capital allowances in excess of depreciation	9,826	11,788
Under/(over) provided in prior years	615	2,559
Deferred tax adjustments in respect of prior years	(20,616)	(52,770)
Loss on sale of fixed assets	12,111	-
	<u>          </u>	<u>          </u>
Taxation charge for the year	130,155	87,439
	<u>          </u>	<u>          </u>

### 11 Dividends

	2018	2017
	£	£
Final paid	190,000	190,000
	<u>          </u>	<u>          </u>

# A & J NELSON (HAULAGE CONTRACTORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

### 12 Tangible fixed assets

	Land and buildings £	Plant and equipment £	Tenant Improvements £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 November 2017	240,000	636,481	173,216	4,423,975	5,473,672
Additions	-	39,431	1,206	1,014,728	1,055,365
Disposals	-	(12,000)	-	(917,200)	(929,200)
At 31 October 2018	240,000	663,912	174,422	4,521,503	5,599,837
<b>Depreciation and impairment</b>					
At 1 November 2017	-	272,280	65,881	1,538,035	1,876,196
Depreciation charged in the year	-	58,924	6,952	602,692	668,568
Eliminated in respect of disposals	-	(10,567)	-	(480,393)	(490,960)
At 31 October 2018	-	320,637	72,833	1,660,334	2,053,804
<b>Carrying amount</b>					
At 31 October 2018	240,000	343,275	101,589	2,861,169	3,546,033
At 31 October 2017	240,000	364,201	107,335	2,885,940	3,597,476

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:

	2018 £	2017 £
Cost	101,220	101,220
Accumulated depreciation	-	-
Carrying value	101,220	101,220

Tangible fixed assets with a carrying amount of £3,546,033 (2017: £3,597,476) 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 of the property.

### 13 Fixed asset investments

	2018 £	2017 £
Unlisted investments	379,681	379,681

# A & J NELSON (HAULAGE CONTRACTORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

### 13 Fixed asset investments (Continued)

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

Big Screen Productions 16 LLP £137,389 (2017: £137,389)

Big Screen Productions 19 LLP £97,389 (2017: £97,389)

Big Screen Productions 23 LLP £144,903 (2017: £144,903)

### 14 Financial instruments

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	829,554	703,941
Equity instruments measured at cost less impairment	379,681	379,681
	<u>          </u>	<u>          </u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	631,391	601,330
	<u>          </u>	<u>          </u>

### 15 Stocks

	2018 £	2017 £
Raw materials and consumables	41,900	31,633
	<u>          </u>	<u>          </u>

### 16 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	828,754	702,341
Other debtors	800	1,600
Prepayments and accrued income	22,318	21,279
	<u>          </u>	<u>          </u>
	851,872	725,220
	<u>          </u>	<u>          </u>

# A & J NELSON (HAULAGE CONTRACTORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

### 17 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	230,008	225,725
Corporation tax	150,156	137,630
Other taxation and social security	174,472	136,808
Other creditors	313,527	292,376
Accruals and deferred income	29,614	26,726
	<u>897,777</u>	<u>819,265</u>

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

### 18 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other creditors	<u>58,242</u>	<u>56,503</u>

### 19 Provisions for liabilities

	Notes	2018 £	2017 £
Deferred tax liabilities	20	<u>248,039</u>	<u>268,655</u>

### 20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2018 £	Liabilities 2017 £
<b>Balances:</b>		
Accelerated capital allowances	<u>248,039</u>	<u>268,655</u>
<b>Movements in the year:</b>		2018 £
Liability at 1 November 2017		268,655
Credit to profit or loss		(20,616)
Liability at 31 October 2018		<u>248,039</u>

# A & J NELSON (HAULAGE CONTRACTORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

### 21 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	64,703	57,894

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 22 Share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary shares of £1 each	64,625	64,625

### 23 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 (2017: £138,780) which relates to the revaluation of investment property.

### 24 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018	2017
	£	£
Within one year	306,667	386,667

### 25 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 (2017: £Nil) 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.

# A & J NELSON (HAULAGE CONTRACTORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

### 26 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 £80,000 (2017: £61,250). The company also paid expenses on behalf of the pension scheme totalling £1,695 (2017: £4,604).

During the year the company paid dividends of £190,000 (2017: £190,000).

### 27 Directors' transactions

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

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

### 28 Cash generated from operations

	2018 £	2017 £
Profit for the year after tax	538,013	507,219
<b>Adjustments for:</b>		
Taxation charged	130,155	87,439
Finance costs	1,739	1,739
Investment income	(8,163)	(6,585)
Loss on disposal of tangible fixed assets	63,740	54,024
Depreciation and impairment of tangible fixed assets	668,568	662,002
<b>Movements in working capital:</b>		
(Increase) in stocks	(10,267)	(128)
(Increase)/decrease in debtors	(126,652)	35,027
Increase/(decrease) in creditors	67,725	(99,659)
<b>Cash generated from operations</b>	<u>1,324,858</u>	<u>1,241,078</u>



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.