Company Registration No. SC078553 (Scotland)

# LAWRIE (DEMOLITION) LIMITED

## REPORT AND FINANCIAL STATEMENTS
## FOR THE YEAR ENDED
## 31 DECEMBER 2015

## PAGES FOR FILING WITH REGISTRAR

WEDNESDAY
*S5E18III*
SCT 24/08/2016 #400
COMPANIES HOUSE

# LAWRIE (DEMOLITION) LIMITED

## COMPANY INFORMATION

| | |
|---|---|
| **Director** | Mr I A Leith |
| **Secretary** | Raeburn Christie Clark & Wallace |
| **Company number** | SC078553 |
| **Registered office** | Rigifa<br>Cove<br>Aberdeen<br>AB12 3LR |
| **Auditors** | RSM UK Audit LLP<br>Chartered Accountants<br>52-54 Queen's Road<br>Aberdeen<br>AB15 4YE |

# LAWRIE (DEMOLITION) LIMITED

## DIRECTOR'S RESPONSIBILITIES STATEMENT

## FOR THE YEAR ENDED 31 DECEMBER 2015

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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. He is 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.

Company Registration No. SC078553

# LAWRIE (DEMOLITION) LIMITED

## STATEMENT OF FINANCIAL POSITION
## AS AT 31 DECEMBER 2015

| | Notes | 2015 £ | 2015 £ | 2014 £ | 2014 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 4 | | 143,442 | | 220,534 |
| **Current assets** | | | | | |
| Debtors | 5 | 1,398,909 | | 1,663,634 | |
| Cash at bank and in hand | | 447,552 | | 158,903 | |
| | | 1,846,461 | | 1,822,537 | |
| **Creditors: amounts falling due within one year** | 6 | (439,596) | | (397,983) | |
| Net current assets | | | 1,406,865 | | 1,424,554 |
| **Total assets less current liabilities** | | | 1,550,307 | | 1,645,088 |
| **Creditors: amounts falling due after more than one year** | 7 | | (20,025) | | (65,913) |
| **Net assets** | | | 1,530,282 | | 1,579,175 |
| **Capital and reserves** | | | | | |
| Called up share capital | 9 | | 100 | | 100 |
| Profit and loss reserves | 10 | | 1,530,182 | | 1,579,075 |
| **Total equity** | | | 1,530,282 | | 1,579,175 |

The director of the company has 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 on pages 2 to 9 were approved by the board of directors and authorised for issue on 28 July 2016 and are signed on its behalf by:

Mr I A Leith
**Director**

## 1 Accounting policies

**Company information**
Lawrie (Demolition) Limited is a private company limited by shares and incorporated in Scotland. The registered office is Rigifa, Cove, Aberdeen, AB12 3LR.

**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"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, and under the historical cost convention.

The director is confident that although the company has made a loss in the year, the company will return to profitability in 2016. Notwithstanding this, the director considers that the company has built up sufficient reserves to cover any future unforeseeable losses. Consequently they continue to adopt the going concern basis.

The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view. The principal accounting policies adopted are set out below.

**First time adoption of FRS 102**
These financial statements are the first financial statements of Lawrie (Demolition) Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) as applied to smaller entities by the adoption of Section 1A of FRS 102. The financial statements of the company for the year ended 31 December 2014 were prepared in accordance with the Financial Reporting Standards for Smaller Entities (Effective April 2008) (FRSSE).

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from the FRSSE. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102. The date of transition to FRS 102 was 1 January 2014.

**Adjustments to corresponding amounts**
The company have reconsidered the presentation of certain costs that have previously been shown within cost of sales and administration costs. The costs, which in the prior period amount to £5,440 have been reallocated from turnover and cost of sales, and the gross profit has been restated by an equal amount.

**Turnover**
Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods and services are recognised when the company fulfils its contractual obligations to customers.

Revenue from contracts is recognised by reference to the stage of completion, when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

**1 *Accounting policies (Continued)***

**Tangible fixed assets**
Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

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 machinery | 10% - 20% straight line |
| Motor vehicles | 25% straight line |

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.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

**Impairment of fixed assets**
At each reporting 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 the recoverable amount of an asset is estimated to be less than its carrying amount, an impairment is recognised immediately in the profit or loss.

**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 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.

***Financial assets***
Basic financial assets, which include trade and other receivables 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

***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.

**1 Accounting policies (Continued)**

***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.

***Financial liabilities***

Basic financial liabilities, including trade and other payables, and loans from fellow group companies 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.

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

***Financial liabilities and equity instruments***

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.

***Derecognition of financial liabilities***

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

***Equity instruments***

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

**Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

## 1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

**Employee benefits**
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**Retirement benefits**
For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**Leases**
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

## 2 Employees

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

| | 2015 Number | 2014 Number |
|---|---|---|
| Total | 18 | 23 |

## 3 Director's remuneration

| | 2015 £ | 2014 £ |
|---|---|---|
| Remuneration for qualifying services | 11,500 | 81,250 |

## 4 Tangible fixed assets

| | Plant and machinery etc |
|---|---|
| | £ |
| **Cost** | |
| At 1 January 2015 | 945,432 |
| Additions | 7,679 |
| Disposals | (20,817) |
| At 31 December 2015 | 932,294 |
| **Depreciation** | |
| At 1 January 2015 | 724,898 |
| Depreciation charged in the year | 81,975 |
| Eliminated in respect of disposals | (18,021) |
| At 31 December 2015 | 788,852 |
| **Net book value** | |
| At 31 December 2015 | 143,442 |
| At 31 December 2014 | 220,534 |

The net book value of plant and machinery includes £97,717 (2014 - £172,002) in respect of assets held under finance leases.

## 5 Debtors

| | 2015 | 2014 |
|---|---|---|
| **Amounts falling due within one year:** | £ | £ |
| Trade debtors | 2,160 | 46,671 |
| Corporation tax recoverable | - | 46,922 |
| Amounts due from group undertakings | 951,827 | 983,295 |
| Other debtors | 426,701 | 574,939 |
| | 1,380,688 | 1,651,827 |
| Deferred tax asset | 18,221 | 11,807 |
| | 1,398,909 | 1,663,634 |

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

| | Notes | 2015 £ | 2014 £ |
|---|---|---|---|
| Obligations under finance leases | 8 | 45,889 | 47,835 |
| Trade creditors | | 63,260 | 177,630 |
| Amounts due to group undertakings | | 92,161 | 97,086 |
| Other taxation and social security | | 66,730 | 28,428 |
| Other creditors | | 1,196 | 395 |
| Accruals and deferred income | | 170,360 | 46,609 |
| | | 439,596 | 397,983 |

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

| | Notes | 2015 £ | 2014 £ |
|---|---|---|---|
| Obligations under finance leases | 8 | 20,025 | 65,913 |

### 8 Finance lease obligations

| Future minimum lease payments due under finance leases: | 2015 £ | 2014 £ |
|---|---|---|
| Less than one year | 45,889 | 47,835 |
| Between one and five years | 20,025 | 65,913 |
| | 65,914 | 113,748 |

The finance lease obligations relate to hire purchase contracts that are secured over the fixed assets to which they relate.

### 9 Called up share capital

| | 2015 £ | 2014 £ |
|---|---|---|
| **Ordinary share capital** | | |
| **Issued and fully paid** | | |
| 100 Ordinary shares of £1 each | 100 | 100 |

### 10 Reserves

| | 2015 £ | 2014 £ |
|---|---|---|
| At beginning of year | 1,579,075 | 1,514,411 |
| (Loss)/profit for the year | (48,893) | 64,664 |
| At end of year | 1,530,182 | 1,579,075 |

## 11 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 audit report was unqualified.
The senior statutory auditor was Cameron Bruce.
The auditor was RSM UK Audit LLP.

## 12 Financial commitments, guarantees and contingent liabilities

There is a group banking facility in place between Leiths (Scotland) Limited, Markon Limited, Lawrie (Demolition) Limited, Joss (Aberdeen) Limited, Howie Minerals Limited, M&M Roadsurfacing Limited and Alexander Ross & Sons (Sand and Gravel) Limited. The bank borrowings are secured on a cross guarantee given by Lawrie (Demolition) Limited and assets and charges over other group companies.

## 13 Consolidated accounts

The company is a fully-owned subsidiary of Leiths (Scotland) Limited, a company incorporated in Scotland. Leiths (Scotland) Limited is the ultimate parent company and is the largest and smallest group for which consolidated accounts including Lawrie (Demolition) Limited are prepared. The registered office address of Leiths (Scotland) Limited is Rigifa, Cove, Aberdeen, AB12 3LR.

## 14 Controlling party

The ultimate parent company, Leiths (Scotland) Limited, was under the control of Mr I A Leith throughout the current and previous year. Mr I A Leith is the managing director and majority shareholder of that company.