

Company Registration No. 140414 (Scotland)

**Highland Haulage Limited**

**Abbreviated Accounts**

**For The Period Ended 30 September 2009**

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# HIGHLAND HAULAGE LIMITED

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# **HIGHLAND HAULAGE LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

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The directors present their report and financial statements for the period ended 30 September 2009. These financial statements represent an 18 month period, with the comparative figures representing a 12 month period.

#### **Principal activities and review of the business**

The principal activity of the company continued to be that of the transport of freight and goods throughout the United Kingdom.

The company has reported a loss of £474,522 for the 18 month period, however continues to retain net assets in excess of £400,000. After due consideration, the directors consider that it is no longer viable to operate a general haulage company under the current economic and regulatory environment. The directors are preparing to exit the market as a result of a co-ordinated and managed wind down of operations. During and subsequent to the period end, the company has sold its fleet of vehicles and trailers to its wholly owned subsidiary HH Distribution Limited, which will continue to service its client base.

The directors consider that the main risks and uncertainties relate to the increasing burden of regulation, and the general economic environment. The company has also been subject to fuel price volatility during this period.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

#### **Results and dividends**

The results for the period are set out on page 4.

#### **Future developments**

It is the intention of the directors that the company will cease operating as a general haulier, and will revert to a holding company.

#### **Directors**

The following directors have held office since 1 April 2008:

A G M Catto  
S A Catto  
G J Catto  
J G Ligertwood

# HIGHLAND HAULAGE LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE PERIOD ENDED 30 SEPTEMBER 2009

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#### Statement of directors' responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to 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 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 proper accounting records that 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 1985. 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.

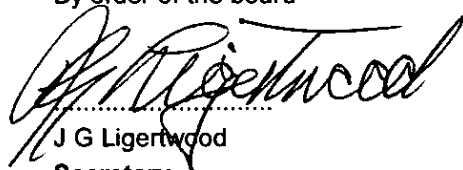
#### Statement of disclosure to auditors

The directors confirm that;

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



J G Ligertwood

Secretary

10 September 2010

# HIGHLAND HAULAGE LIMITED

## INDEPENDENT AUDITORS' REPORT TO HIGHLAND HAULAGE LIMITED

### UNDER SECTION 247B OF THE COMPANIES ACT 1985

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We have examined the abbreviated accounts set out on pages 4 to 15, together with the financial statements of Highland Haulage Limited for the period ended 30 September 2009 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

#### **Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

#### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.



Johnston Carmichael

10 September 2010

Chartered Accountants  
Registered Auditor

Clava House  
Cradlehall Business Park  
Inverness  
IV2 5GH

# HIGHLAND HAULAGE LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

		2009 (18 months) £	2008 (12 months) £
	Notes		
Gross loss		(199,408)	(205,000)
Administrative expenses		(224,390)	(54,769)
Operating loss	3	(423,798)	(259,769)
Interest payable and similar charges	4	(50,724)	(48,871)
Loss on ordinary activities before taxation		(474,522)	(308,640)
Tax on loss on ordinary activities	5	-	27,869
Loss for the period	12	(474,522)	(280,771)

There are no recognised gains and losses other than those passing through the profit and loss account.

# HIGHLAND HAULAGE LIMITED

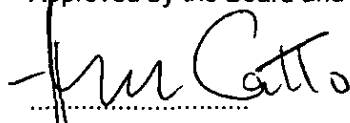
## ABBREVIATED BALANCE SHEET

AS AT 30 SEPTEMBER 2009

		30 September 2009		31 March 2008	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	6		225,752		509,420
Investments	7		1,876,875		976,875
			<u>2,102,627</u>		<u>1,486,295</u>
<b>Current assets</b>					
Debtors	8	344,337		337,223	
Cash at bank and in hand		-		295	
		<u>344,337</u>		<u>337,518</u>	
<b>Creditors: amounts falling due within one year</b>	9	(2,044,888)		(917,315)	
<b>Net current liabilities</b>			(1,700,551)		(579,797)
<b>Total assets less current liabilities</b>			<u>402,076</u>		<u>906,498</u>
<b>Creditors: amounts falling due after more than one year</b>	10		-		(29,900)
			<u>402,076</u>		<u>876,598</u>
<b>Capital and reserves</b>					
Called up share capital	11		2,120,000		2,120,000
Profit and loss account	12		(1,717,924)		(1,243,402)
<b>Shareholders' funds</b>	13		<u>402,076</u>		<u>876,598</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Approved by the Board and authorised for issue on 10 September 2010

  
A. G. M. Catto  
Director

Company Registration No. 140414

# HIGHLAND HAULAGE LIMITED

## CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER 2009

	£	2009 £	£	2008 £
<b>Net cash inflow/(outflow) from operating activities</b>		158,972		(95,620)
<b>Returns on investments and servicing of finance</b>				
Interest paid	(50,724)		(48,871)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(50,724)		(48,871)
<b>Taxation</b>		-		27,869
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible assets	-		(16,250)	
Payments to acquire investments	-		(220,000)	
Receipts from sales of tangible assets	150,500		48,000	
<b>Net cash inflow/(outflow) for capital expenditure</b>		150,500		(188,250)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		258,748		(304,872)
<b>Financing</b>				
Issue of ordinary share capital	-		370,000	
Capital element of hire purchase contracts	(199,115)		(210,898)	
<b>Net cash (outflow)/inflow from financing</b>		(199,115)		159,102
<b>Increase/(decrease) in cash in the period</b>		59,633		(145,770)



# HIGHLAND HAULAGE LIMITED

## NOTES TO THE CASH FLOW STATEMENT

### FOR THE PERIOD ENDED 30 SEPTEMBER 2009

1	Reconciliation of operating loss to net cash inflow/(outflow) from operating activities	2009	2008
		£	£
	Operating loss	(423,798)	(259,769)
	Depreciation of tangible assets	149,941	131,865
	Profit on disposal of tangible assets	(16,773)	(5,813)
	(Increase)/decrease in debtors	(7,114)	54,190
	Increase/(decrease) in creditors within one year	456,716	(16,093)
	<b>Net cash inflow/(outflow) from operating activities</b>	<b>158,972</b>	<b>(95,620)</b>

2	Analysis of net debt	1 April 2008	Cash flow	Other non-cash changes	30 September 2009
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	295	(295)	-	-
	Bank overdrafts	(572,504)	59,928	-	(512,576)
		<u>(572,209)</u>	<u>59,633</u>	<u>-</u>	<u>(512,576)</u>
	Bank deposits	-	-	-	-
	Debt:				
	Finance leases	(199,115)	199,115	-	-
	<b>Net debt</b>	<b><u>(771,324)</u></b>	<b><u>258,748</u></b>	<b><u>-</u></b>	<b><u>(512,576)</u></b>

3	Reconciliation of net cash flow to movement in net debt	2009	2008
		£	£
	Increase/(decrease) in cash in the period	59,633	(145,770)
	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	199,115	(75,602)
	Change in net debt resulting from cash flows	258,748	(221,372)
	New finance lease	-	143,250
	<b>Movement in net debt in the period</b>	<b>258,748</b>	<b>(78,122)</b>
	Opening net debt	(771,324)	(693,202)
	<b>Closing net debt</b>	<b><u>(512,576)</u></b>	<b><u>(771,324)</u></b>

# HIGHLAND HAULAGE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 30 SEPTEMBER 2009

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **1.2 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### **1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	- 15% to 20% per annum
Fixtures, fittings & equipment	- 25% per annum
Motor vehicles	- 20% per annum

#### **1.4 Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### **1.5 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

#### **1.6 Deferred taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **1.7 Group accounts**

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

# HIGHLAND HAULAGE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2009

### 2 Cost of sales and net operating expenses

	2009			2008		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
	£	£	£	£	£	£
Cost of sales	-	1,255,405	1,255,405	1,250,941	-	1,250,941
Administrative expenses	-	224,390	224,390	54,769	-	54,769
	-	1,479,795	1,479,795	1,305,710	-	1,305,710

### 3 Operating loss

	2009 £	2008 £
Operating loss is stated after charging:		
Depreciation of tangible assets	149,941	131,865
Auditors' remuneration (including expenses and benefits in kind)	6,854	4,725
and after crediting:		
Profit on disposal of tangible assets	(16,773)	(5,813)

### 4 Interest payable

	2009 £	2008 £
On bank loans and overdrafts	42,142	31,832
Hire purchase interest	8,582	17,039
	50,724	48,871

# HIGHLAND HAULAGE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

### FOR THE PERIOD ENDED 30 SEPTEMBER 2009

5	Taxation	2009 £	2008 £
	Domestic current year tax		
	Adjustment for prior years	-	(27,869)
		<u>-</u>	<u>(27,869)</u>
	Current tax charge	-	(27,869)
		<u>-</u>	<u>(27,869)</u>
	Factors affecting the tax charge for the period		
	Loss on ordinary activities before taxation	(474,522)	(308,640)
		<u>(474,522)</u>	<u>(308,640)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2008 - 20.00%)	(99,650)	(61,728)
		<u>(99,650)</u>	<u>(61,728)</u>
	Effects of:		
	Depreciation add back	4,168	13,613
	Tax losses utilised	99,004	49,278
	Adjustments to previous periods	-	(27,869)
	Other tax adjustments	(3,522)	(1,163)
		<u>99,650</u>	<u>33,859</u>
	Current tax charge	-	(27,869)
		<u>-</u>	<u>(27,869)</u>

# HIGHLAND HAULAGE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2009

### 6 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 April 2008	1,082,177	84,561	1,166,738
Disposals	(363,285)	-	(363,285)
At 30 September 2009	718,892	84,561	803,453
<b>Depreciation</b>			
At 1 April 2008	573,774	83,544	657,318
On disposals	(229,558)	-	(229,558)
Charge for the period	148,924	1,017	149,941
At 30 September 2009	493,140	84,561	577,701
<b>Net book value</b>			
At 30 September 2009	225,752	-	225,752
At 31 March 2008	508,403	1,017	509,420

£

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £
<b>Net book values</b>	
At 30 September 2009	-
At 31 March 2008	414,177
<b>Depreciation charge for the period</b>	
At 30 September 2009	69,454
At 31 March 2008	92,705

# HIGHLAND HAULAGE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

### FOR THE PERIOD ENDED 30 SEPTEMBER 2009

#### 7 Fixed asset investments

	Unlisted investments	Shares in group undertakings	Total
	£	£	£
<b>Cost</b>			
At 1 April 2008	6,875	970,000	976,875
Additions	-	900,000	900,000
	<u>6,875</u>	<u>1,870,000</u>	<u>1,876,875</u>
At 30 September 2009	6,875	1,870,000	1,876,875
<b>Net book value</b>			
At 30 September 2009	6,875	1,870,000	1,876,875
	<u>6,875</u>	<u>1,870,000</u>	<u>1,876,875</u>
At 31 March 2008	6,875	970,000	976,875
	<u>6,875</u>	<u>970,000</u>	<u>976,875</u>

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
HH Distribution Limited	Scotland	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit/(loss) for the year
	2009	2009
	£	£
HH Distribution Limited	3,147,428	(346,174)
	<u>3,147,428</u>	<u>(346,174)</u>

# HIGHLAND HAULAGE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2009

8 Debtors	2009 £	2008 £
Trade debtors	10,407	148,508
Amounts owed by parent and fellow subsidiary undertakings	324,850	163,622
Other debtors	690	11,563
Prepayments and accrued income	8,390	13,530
	<u>344,337</u>	<u>337,223</u>

9 Creditors: amounts falling due within one year	2009 £	2008 £
Bank loans and overdrafts	512,576	572,504
Net obligations under hire purchase contracts	-	169,215
Trade creditors	51,746	136,660
Amounts owed to parent and fellow subsidiary undertakings	1,261,940	7,192
Taxes and social security costs	16,830	14,775
Other creditors	19,296	5,135
Accruals and deferred income	182,500	11,834
	<u>2,044,888</u>	<u>917,315</u>

The bank overdraft is secured by a bond and floating charge over all the company's assets.

10 Creditors: amounts falling due after more than one year	2009 £	2008 £
Net obligations under hire purchase contracts	-	29,900
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	-	97,455
Repayable between one and five years	-	101,660
	-	199,115
Included in liabilities falling due within one year	-	(169,215)
	-	29,900

# HIGHLAND HAULAGE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

### FOR THE PERIOD ENDED 30 SEPTEMBER 2009

<b>11 Share capital</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
3,000,000 Ordinary shares of £1 each	3,000,000	3,000,000
	<u>          </u>	<u>          </u>
<b>Allotted, called up and fully paid</b>		
2,120,000 Ordinary shares of £1 each	2,120,000	2,120,000
	<u>          </u>	<u>          </u>
<b>12 Statement of movements on profit and loss account</b>		<b>Profit and loss account £</b>
Balance at 1 April 2008		(1,243,402)
Loss for the period		(474,522)
		<u>          </u>
Balance at 30 September 2009		(1,717,924)
		<u>          </u>
<b>13 Reconciliation of movements in shareholders' funds</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Loss for the financial period	(474,522)	(280,771)
Proceeds from issue of shares	-	370,000
	<u>          </u>	<u>          </u>
Net (depletion in)/addition to shareholders' funds	(474,522)	89,229
Opening shareholders' funds	876,598	787,369
	<u>          </u>	<u>          </u>
Closing shareholders' funds	402,076	876,598
	<u>          </u>	<u>          </u>

#### 14 Transactions with directors

The company also traded during the period with an unincorporated business, Scotbark, controlled by the directors G J Catto and S A Catto. Sales and purchases to this business during the period amounted to £77,706 and £4,714 respectively. At 30 September 2009 the unincorporated business owed £690 to the company and this balance is included within debtors falling due within one year (2008 - £5,135).



# HIGHLAND HAULAGE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2009

### 15 Employees

#### Number of employees

The average monthly number of employees (including directors) during the period was:

	2009 Number	2008 Number
Drivers	8	12
Warehouse and garage	2	2
Administration staff	3	3
	<u>13</u>	<u>17</u>

#### Employment costs

	2009 £	2008 £
Wages and salaries	375,676	365,671
Social security costs	33,521	32,686
	<u>409,197</u>	<u>398,357</u>

### 16 Ultimate parent company

The ultimate parent undertaking of the company is Scotlog Sales Limited, a company registered in Scotland. The company is exempt from preparing consolidated accounts as it qualifies as a medium-sized group.

### 17 Post balance sheet events

Subsequent to the period end, the company issued 880,000 £1 ordinary shares at par, capitalising a portion of the inter-company creditor due to its parent company, Scotlog Sales Limited.

Subsequent to the period end, the company has continued to dispose of its remaining assets, and has ceased operating as a general haulage company.