

AJC CONSTRUCTION SCOTLAND LIMITED
SC216542

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

PAGES FOR FILING WITH REGISTRAR

MESTON REID & CO
CHARTERED ACCOUNTANTS
12 CARDEN PLACE
ABERDEEN
AB10 1UR

AJC CONSTRUCTION SCOTLAND LIMITED

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AJC CONSTRUCTION SCOTLAND LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

		2019	2018
	Notes	£	£
Fixed assets			
Tangible assets	3	505,778	526,632
Current assets			
Stocks		6,800	6,300
Debtors	4	2,876,792	2,499,743
Cash at bank and in hand		564	223
		<u>2,884,156</u>	<u>2,506,266</u>
Creditors: amounts falling due within one year	5	<u>(1,694,003)</u>	<u>(1,133,551)</u>
Net current assets		1,190,153	1,372,715
Total assets less current liabilities		<u>1,695,931</u>	<u>1,899,347</u>
Creditors: amounts falling due after more than one year	6	-	(48,858)
Provisions for liabilities		<u>(60,997)</u>	<u>(89,666)</u>
Net assets		<u>1,634,934</u>	<u>1,760,823</u>
Capital and reserves			
Called up share capital	7	5,000	5,000
Profit and loss reserves		<u>1,629,934</u>	<u>1,755,823</u>
Total equity		<u>1,634,934</u>	<u>1,760,823</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

AJC CONSTRUCTION SCOTLAND LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2019

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

Earl of Aboyne
Director

Company Registration No. SC216542

AJC CONSTRUCTION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

AJC Construction Scotland Limited (SC216542) is a private company in the United Kingdom, limited by shares and incorporated in Scotland. The registered office is 12 Carden Place, Aberdeen, AB10 1UR. The business address is Aboyne Castle, Aboyne, Aberdeenshire, AB34 5JP.

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 as applicable to companies subject to the small companies regime. 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 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 on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents amounts receivable for general construction services net of VAT and trade discounts and in the case of long term contracts the value of work undertaken during the year.

Profits in respect of long term contracts are included where the contract outcome can be foreseen with reasonable certainty and are determined by reference to the valuation of work done less related costs. Provision is made for all foreseeable contract losses.

1.3 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.

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, the rates are now as follows:

Tenant improvements	25% straight line
Plant and machinery	15% straight line
Fixtures, fittings & equipment	25 % straight line
Motor vehicles	20 % 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.

1.4 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.

AJC CONSTRUCTION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

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.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash and cash equivalents

Cash and cash equivalents 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.

1.7 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 balance sheet 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.

AJC CONSTRUCTION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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.

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.

1.8 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.

1.9 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 profit and loss account 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.

AJC CONSTRUCTION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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 profit and loss account, 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.

1.10 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.

1.11 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.12 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 balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.13 Government grants

Grants towards capital expenditure are credited to deferred revenue and are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are recorded in the profit and loss account in the period in which the related expenditure is incurred.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 40 (2018 - 35).

AJC CONSTRUCTION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2018	12,254	991,255	1,003,509
Additions	-	132,887	132,887
Disposals	-	(87,635)	(87,635)
At 31 March 2019	12,254	1,036,507	1,048,761
Depreciation and impairment			
At 1 April 2018	4,921	471,956	476,877
Depreciation charged in the year	2,000	137,266	139,266
Eliminated in respect of disposals	-	(73,160)	(73,160)
At 31 March 2019	6,921	536,062	542,983
Carrying amount			
At 31 March 2019	5,333	500,445	505,778
At 31 March 2018	7,333	519,299	526,632

4 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	2,279,793	1,833,760
Gross amounts owed by contract customers	98,532	50,227
Corporation tax recoverable	-	13,081
Other debtors	344,888	562,340
Prepayments and accrued income	153,579	40,335
	2,876,792	2,499,743

AJC CONSTRUCTION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

5 Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	427,937	107,609
Obligations under finance leases	48,858	98,443
Trade creditors	720,130	378,066
Taxation and social security	60,614	48,041
Other creditors	81,946	129,721
Accruals and deferred income	354,518	371,671
	<u>1,694,003</u>	<u>1,133,551</u>

The bank overdraft facility is secured by a bond and floating charge over the whole assets of the company.

6 Creditors: amounts falling due after more than one year

	2019	2018
Notes	£	£
Obligations under finance leases	-	48,858
	<u>-</u>	<u>48,858</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. The average lease term is 2 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

7 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
5,000 Ordinary shares of £1 each	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

8 Directors' transactions

Included within loans and overdrafts are amounts due from/ (to) the directors as follows:

	Earl of Aboyne
Interest rate	- %
Opening balance as at 1 April 2018	(43,575)
Amounts advanced during the year	53,815
Interest charged	-
Amounts repaid/credited during the year	(6,750)
	<u>3,490</u>
Closing balance as at 31 March 2019	<u>3,490</u>

AJC CONSTRUCTION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

9 Related party transactions

During the year the company entered into the following transactions with related parties:

AJC Homes Scotland Limited

AJC Homes Scotland Limited is under the direct control of the Earl of Aboyne, director.

During the year, AJC Homes Scotland Limited charged the company £300,000 (2018 - £290,000) in respect of management fees.

Included within other debtors are amounts receivable from AJC Homes Scotland Limited of £263,263 (2018 - £553,263). The balance will be repaid when the company has sufficient funds available. At the year end a balance of £1,149,247 (2018 - £899,497) was due from AJC Homes Scotland Limited for the supply of construction services during the year and is included within trade debtors. At the year end a balance of £35,328 (2018 - £30,000) was due to AJC Homes Scotland Limited and is included within creditors.

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.