



MGS LOGISTICS LIMITED

UNAUDITED

**INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 30 SEPTEMBER 2018**



MGS LOGISTICS LIMITED

COMPANY INFORMATION



Directors

D Spence
M Spence

Company secretary

M Spence

Registered number

SC232791

Registered office

20 Bon Accord Square
Aberdeen
AB11 6DJ

CONTENTS



	Page
Directors' responsibilities statement	1
Balance sheet	2 - 3
Notes to the financial statements	4 - 12

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2018**



The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

MGS LOGISTICS LIMITED

REGISTERED NUMBER: SC232791

BALANCE SHEET
AS AT 30 SEPTEMBER 2018



	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	2,849,755	3,254,237
		<u>2,849,755</u>	<u>3,254,237</u>
Current assets			
Stocks	5	4,898	5,048
Debtors: amounts falling due within one year	6	1,377,966	1,511,535
Cash at bank and in hand	7	74,594	92,621
		<u>1,457,458</u>	<u>1,609,204</u>
Creditors: amounts falling due within one year	8	(2,366,350)	(2,088,445)
Net current liabilities		<u>(908,892)</u>	<u>(479,241)</u>
Total assets less current liabilities		<u>1,940,863</u>	<u>2,774,996</u>
Creditors: amounts falling due after more than one year	9	(550,028)	(978,300)
Provisions for liabilities			
Deferred tax	12	(174,945)	(215,690)
		<u>(174,945)</u>	<u>(215,690)</u>
Net assets		<u>1,215,890</u>	<u>1,581,006</u>
Capital and reserves			
Called up share capital		10,000	10,000
Profit and loss account		1,205,890	1,571,006
		<u>1,215,890</u>	<u>1,581,006</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.


MGS LOGISTICS LIMITED

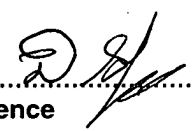
REGISTERED NUMBER: SC232791

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2018



The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
M Spence
Director


.....
D Spence
Director

Date: 22/4/19

The notes on pages 4 to 12 form part of these financial statements.

1. General information

MGS Logistics Limited is a private company limited by shares incorporated in Scotland. The registered office is 20 Bon Accord Square, Aberdeen, AB11 6DJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2. Accounting policies (continued)**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 October 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.6 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.9 Pensions

The company contributes to a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.



2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Portacabins	- 9 years
Motor vehicles	- 3 - 15 years
Office equipment	- 4 to 5 years
Tenants improvements	- 3 to 15 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.12 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2. Accounting policies (continued)

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2. Accounting policies (continued)**2.17 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 11 (2017 - 10).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

4. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Office equipment £	Other fixed assets £	Total £
Cost or valuation					
At 1 October 2017	22,118	7,058,276	70,784	165,797	7,316,975
Additions	5,841	234,967	-	19,683	260,491
Disposals	-	(331,350)	-	-	(331,350)
At 30 September 2018	27,959	6,961,893	70,784	185,480	7,246,116
Depreciation					
At 1 October 2017	20,703	3,833,596	70,763	137,676	4,062,738
Charge for the year on owned assets	3,413	62,444	21	8,597	74,475
Charge for the year on financed assets	-	512,207	-	-	512,207
Disposals	-	(253,059)	-	-	(253,059)
At 30 September 2018	24,116	4,155,188	70,784	146,273	4,396,361
Net book value					
At 30 September 2018	3,843	2,806,705	-	39,207	2,849,755
At 30 September 2017	1,415	3,224,680	21	28,121	3,254,237

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Motor vehicles	2,678,757	3,038,715

5. Stocks

	2018 £	2017 £
Raw materials and consumables	4,898	5,048

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**6. Debtors**

	2018 £	2017 £
Trade debtors	1,276,316	1,380,510
Other debtors	32,878	-
Prepayments and accrued income	68,772	131,025
	<u>1,377,966</u>	<u>1,511,535</u>

7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>74,594</u>	<u>92,621</u>

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Other loans	888,467	639,407
Trade creditors	319,182	287,086
Amounts owed to other participating interests	182,693	153,958
Corporation tax	-	33,833
Other taxation and social security	185,021	150,286
Obligations under finance lease and hire purchase contracts	584,417	661,313
Other creditors	182,114	122,837
Accruals and deferred income	24,456	39,725
	<u>2,366,350</u>	<u>2,088,445</u>

9. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	<u>550,028</u>	<u>978,300</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**



10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	584,417	661,313
Between 2-5 years	550,028	978,300
	<u>1,134,445</u>	<u>1,639,613</u>

11. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>74,594</u>	<u>92,621</u>

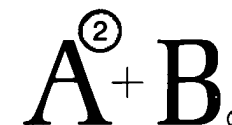
Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

12. Deferred taxation

	2018 £
At beginning of year	(215,690)
Charged to profit or loss	40,745
At end of year	<u>(174,945)</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(212,771)	(217,744)
Tax losses carried forward	36,691	-
Short term timing differences	1,135	2,054
	<u>(174,945)</u>	<u>(215,690)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**13. Pension commitments**

The company's contributions to defined contribution pension schemes in the year were £34,502 (2017 - £32,475). Outstanding contributions accrued at the year end amounted to £4,692 (2017 - £1,832).

14. Commitments under operating leases

At 30 September 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	1,840	1,840
Later than 1 year and not later than 5 years	1,520	3,360
	<u>3,360</u>	<u>5,200</u>

15. Related party transactions**Control**

Throughout the year the company was controlled by the directors.

Transactions

During the year the company has made net loan repayments to directors amounting to £25,734. The balance owed to the directors as at 30 September 2018 is £45,607 (2017 - £71,341).

During the year the company has received a loan of £100,000 and made loan repayments of £18,260 to a shareholder. The balance owed to the shareholder as at 30 September 2018 is £129,954 (2017 - £48,214).

During the year the company has had net trading with a company with a common director amounting to £26,736. The balance owed to this company as at 30 September 2018 is £182,694 (2017 - £153,958).