

Company Registration No. SC267509 (Scotland)

STUART NICOL TRANSPORT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

SATURDAY



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18/08/2018
COMPANIES HOUSE

STUART NICOL TRANSPORT LIMITED

COMPANY INFORMATION

Director	Mr S A Nicol
Secretary	Ms N Nicolson
Company number	SC267509
Registered office	High Street Industrial Estate Shotts Motherwell ML7 5DR
Auditor	Campbell Dallas Audit Services Titanium 1 King's Inch Place Renfrew PA4 8WF

STUART NICOL TRANSPORT LIMITED

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STUART NICOL TRANSPORT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The director presents the strategic report for the year ended 31 December 2017.

Fair review of the business

The director regards turnover, gross and operating margins as they key performance indicators of the business.

	2017	2016	2015
	£	£	£
Turnover	10,953,349	10,411,905	9,656,532
Gross profit	1,810,638	2,268,844	2,260,826
Operating profit	68,569	556,872	752,557
Gross margin (%)	17	22	23
Net operating margin (%)	0.6	5	7

Turnover has continued to improve this year with an 5% increase over last year. Direct costs have increased by 12% as a result of competition in the market. The majority of these increases in costs relate to vehicle and subcontractor costs required to allow the company to accommodate a growth in sales. This has subsequently resulted in a decrease in gross margin of 5%.

Operating margin has reduced as a direct result of a decrease in gross margin. The company have a strong control over indirect costs.

Principal risks and uncertainties

The company is exposed to market risks arising from its operations. The director has policies in place to ensure such risks are managed.

Credit risk

The company provides services on credit to its customers. The risk arises from the possibility that customers will fail to meet their obligations to pay the sums due. To manage this risk all customers have their credit worthiness assessed and credit given is monitored by the company's administrative staff to ensure that payments are received and late payments are pursued.

Liquidity risk

The company is funded by retained profits, director's loans, hire purchase contracts and by an agreed overdraft facility. The company's policy is to ensure that any projected borrowing requirements is covered by committed facilities with its bankers.

Development and performance

The director expects that the business will continue at a similar level of turnover in the forthcoming year.

Fixed Asset Investment

The director continues to invest in a modern haulage fleet to ensure that running costs are controlled and the vehicles are fuel efficient.

On behalf of the board



Mr S A Nicol

Director

26/07/18

STUART NICOL TRANSPORT LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The director presents his annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the company continued to be that of a haulage contractor.

Director

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

Mr S A Nicol

Results and dividends

The results for the year are shown in the strategic report.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

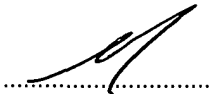
Auditor

The auditors, Campbell Dallas Audit Services, will be proposed for reappointment at the forthcoming Annual General Meeting.

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



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Mr S A Nicol

Director

Date:26.7.18

STUART NICOL TRANSPORT LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

The director is responsible for preparing the annual 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.

STUART NICOL TRANSPORT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF STUART NICOL TRANSPORT LIMITED

Opinion

We have audited the financial statements of Stuart Nicol Transport Limited (the 'company') for the year ended 31 December 2017 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, 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 December 2017 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

STUART NICOL TRANSPORT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF STUART NICOL TRANSPORT 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 director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director is 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 director 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.

Use of our report

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.



Richard Patterson (Senior Statutory Auditor)
for and on behalf of Campbell Dallas Audit Services

26/7/2018

Accountants
Statutory Auditor

Titanium 1
King's Inch Place
Renfrew
PA4 8WF

STUART NICOL TRANSPORT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

		2017	2016
	Notes	£	£
Turnover	3	10,953,349	10,411,905
Cost of sales		(9,142,711)	(8,143,061)
Gross profit		1,810,638	2,268,844
Administrative expenses		(1,773,778)	(1,741,592)
Other operating income		31,709	29,620
Operating profit	4	68,569	556,872
Interest payable and similar expenses	7	(51,427)	(59,323)
Profit before taxation		17,142	497,549
Tax on profit	8	(15,300)	(70,637)
Profit for the financial year		1,842	426,912

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

STUART NICOL TRANSPORT LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
Profit for the year	1,842	426,912
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,842</u>	<u>426,912</u>

STUART NICOL TRANSPORT LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	10		3,884,027		3,649,481
Current assets					
Stocks	12	23,380		11,158	
Debtors	13	2,150,885		2,431,986	
		<u>2,174,265</u>		<u>2,443,144</u>	
Creditors: amounts falling due within one year	14	<u>(2,019,291)</u>		<u>(1,908,259)</u>	
Net current assets			154,974		534,885
Total assets less current liabilities			<u>4,039,001</u>		<u>4,184,366</u>
Creditors: amounts falling due after more than one year	15		(1,320,815)		(1,472,921)
Provisions for liabilities	18		(98,365)		(93,466)
Net assets			<u>2,619,821</u>		<u>2,617,979</u>
Capital and reserves					
Called up share capital	21		10,000		10,000
Profit and loss reserves			2,609,821		2,607,979
Total equity			<u>2,619,821</u>		<u>2,617,979</u>

The financial statements were approved and signed by the director and authorised for issue on 26/07/18..


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Mr S A Nicol
Director

Company Registration No. SC267509

STUART NICOL TRANSPORT LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2016		10,000	2,186,067	2,196,067
Year ended 31 December 2016:				
Profit and total comprehensive income for the year		-	426,912	426,912
Dividends	9	-	(5,000)	(5,000)
Balance at 31 December 2016		10,000	2,607,979	2,617,979
Year ended 31 December 2017:				
Profit and total comprehensive income for the year		-	1,842	1,842
Balance at 31 December 2017		10,000	2,609,821	2,619,821

STUART NICOL TRANSPORT LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	25	1,571,918		1,711,665	
Interest paid		(51,427)		(59,323)	
Income taxes paid		(136,792)		(132,941)	
Net cash inflow from operating activities		<u>1,383,699</u>		<u>1,519,401</u>	
Investing activities					
Purchase of tangible fixed assets		(521,538)		(129,353)	
Proceeds on disposal of tangible fixed assets		204,582		251,651	
Net cash (used in)/generated from investing activities			(316,956)		122,298
Financing activities					
Repayment of borrowings		(26,001)		(116,000)	
Payment of finance leases obligations		(1,191,850)		(1,556,766)	
Dividends paid		-		(5,000)	
Net cash used in financing activities			(1,217,851)		(1,677,766)
Net decrease in cash and cash equivalents			(151,108)		(36,067)
Cash and cash equivalents at beginning of year			(136,426)		(100,359)
Cash and cash equivalents at end of year			<u>(287,534)</u>		<u>(136,426)</u>
Relating to:					
Bank overdrafts included in creditors payable within one year			(287,534)		(136,426)

STUART NICOL TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Stuart Nicol Transport Limited is a private company limited by shares incorporated in Scotland. The registered office is High Street Industrial Estate, Shotts, Motherwell, ML7 5DR.

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 director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services 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 it is probable will be recovered.

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.

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% reducing balance method
Fixtures and fittings	25% reducing balance method
Computers	25% reducing balance method
Motor vehicles	25% reducing balance method

STUART NICOL TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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.

1.5 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.

1.6 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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.

1.7 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.

STUART NICOL TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.8 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.

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.

STUART NICOL TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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.

1.9 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.

1.10 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.

STUART NICOL TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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.

1.11 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.

1.12 Retirement benefits

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

1.13 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 the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

STUART NICOL TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

The director is of the opinion that there are no matters of significant judgement and estimation which are material to the financial statements.

3 Turnover and other revenue

	2017 £	2016 £
Turnover analysed by class of business		
Haulage contract sales	10,953,349	10,411,905

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging:		
Exchange losses	897	-
Fees payable to the company's auditor for the audit of the company's financial statements	9,000	9,000
Depreciation of owned tangible fixed assets	163,889	57,863
Depreciation of tangible fixed assets held under finance leases	938,986	1,022,501
Loss on disposal of tangible fixed assets	25,145	20,878
Cost of stocks recognised as an expense	34,326	-
Operating lease charges	30,000	30,000

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £897 (2016 - £-).

5 Employees

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

	2017 Number	2016 Number
Drivers and garage staff	96	98
Management and administrative staff	15	13
	111	111

STUART NICOL TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

5 Employees (Continued)

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	3,246,645	3,074,161
Social security costs	305,123	267,606
Pension costs	21,003	19,489
	<u>3,572,771</u>	<u>3,361,256</u>

6 Director's remuneration

	2017 £	2016 £
Remuneration for qualifying services	11,067	10,000
Company pension contributions to defined contribution schemes	960	960
	<u>12,027</u>	<u>10,960</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).

7 Interest payable and similar expenses

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	51,427	59,323
	<u>51,427</u>	<u>59,323</u>

8 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	10,401	136,792
Adjustments in respect of prior periods	-	8,035
Total current tax	<u>10,401</u>	<u>144,827</u>
Deferred tax		
Origination and reversal of timing differences	4,899	(74,190)
Total tax charge	<u>15,300</u>	<u>70,637</u>

STUART NICOL TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

8 Taxation

(Continued)

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:

	2017 £	2016 £
Profit before taxation	17,142	497,549
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	3,300	99,510
Tax effect of expenses that are not deductible in determining taxable profit	234	399
Adjustments in respect of prior years	-	8,031
Deferred tax adjustments in respect of prior years	10,965	(7,913)
Adjust closing deferred tax to average rate of 20.00%	801	(29,390)
Taxation charge for the year	15,300	70,637

9 Dividends

	2017 £	2016 £
Interim paid	-	5,000

10 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 January 2017	1,865,613	2,115	21,328	5,025,722	6,914,778
Additions	257,370	86	-	1,309,692	1,567,148
Disposals	(57,465)	-	-	(688,847)	(746,312)
At 31 December 2017	2,065,518	2,201	21,328	5,646,567	7,735,614
Depreciation and impairment					
At 1 January 2017	808,806	310	9,277	2,446,904	3,265,297
Depreciation charged in the year	192,828	551	3,013	906,483	1,102,875
Eliminated in respect of disposals	(28,808)	-	-	(487,777)	(516,585)
At 31 December 2017	972,826	861	12,290	2,865,610	3,851,587
Carrying amount					
At 31 December 2017	1,092,692	1,340	9,038	2,780,957	3,884,027
At 31 December 2016	1,056,807	1,805	12,051	2,578,818	3,649,481

STUART NICOL TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

10 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017 £	2016 £
Plant and equipment	818,656	481,851
Motor vehicles	2,383,552	2,554,408
	<u>3,202,208</u>	<u>3,036,259</u>
Depreciation charge for the year in respect of leased assets	<u>938,986</u>	<u>1,022,501</u>

11 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>2,085,268</u>	<u>2,358,224</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>3,063,781</u>	<u>3,015,005</u>

12 Stocks

	2017 £	2016 £
Raw materials and consumables	<u>23,380</u>	<u>11,158</u>

13 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	2,085,268	2,100,224
Other debtors	-	258,000
Prepayments and accrued income	65,617	73,762
	<u>2,150,885</u>	<u>2,431,986</u>

STUART NICOL TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

14 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	16	287,534	136,426
Obligations under finance leases	17	793,406	813,541
Trade creditors		481,071	426,016
Corporation tax		10,401	136,792
Other taxation and social security		265,924	229,383
Other creditors		56,867	50,338
Accruals and deferred income		124,088	115,763
		<u>2,019,291</u>	<u>1,908,259</u>

15 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Obligations under finance leases	17	672,341	798,446
Other creditors		648,474	674,475
		<u>1,320,815</u>	<u>1,472,921</u>

16 Loans and overdrafts

	2017 £	2016 £
Bank overdrafts	<u>287,534</u>	<u>136,426</u>
Payable within one year	<u>287,534</u>	<u>136,426</u>

Bank overdrafts are secured by a bond and floating charge on all sums due or to become due.
The assets held on hire purchase contracts are secured by a standard security over the related assets.

17 Finance lease obligations

	2017 £	2016 £
Future minimum lease payments due under finance leases:		
Within one year	793,406	813,541
In two to five years	672,341	798,446
	<u>1,465,747</u>	<u>1,611,987</u>

STUART NICOL TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

17 Finance lease obligations (Continued)

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is between 3 and 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

18 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	19	98,365	93,466

19 Deferred taxation

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

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
Accelerated capital allowances	98,365	93,466
Movements in the year:		2017 £
Liability at 1 January 2017		93,466
Charge to profit or loss		4,899
Liability at 31 December 2017		98,365

The deferred tax liability set out above is expected to reverse within [12 months] and relates to accelerated capital allowances that are expected to mature within the same period.

20 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	21,003	19,489

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.

STUART NICOL TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

21 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

22 Operating lease commitments

Lessee

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:

	2017	2016
	£	£
Within one year	30,000	30,000
Between two and five years	67,500	97,500
	<u>97,500</u>	<u>127,500</u>

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017	2016
	£	£
Aggregate compensation	11,067	8,931

Transactions with related parties

STUART NICOL TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

23 Related party transactions

(Continued)

During the year the company made sales of £20,594 (2016: £48,739) and purchases of £37,388 (2016: £41,421) with Nicol Boilers Limited, a company which had common shareholdings during the year.

As at 31 December 2017, the company held net payables of £3,892 (2016: £nil) and net receivables of £648 (2016: £1,000) due to/from Nicol Boilers Limited.

At the year end, the company owed the directors, Mr S Nicol, £701,475 (2016: £722,475). During the year the director withdrew £41,000. This loan is unsecured and interest free.

Dividends of £nil (2016: £5,000) were paid to the director during the year.

24 Controlling party

The company is under the control of the director, Mr S Nicol, by virtue of his 100% shareholdings in the company.

25 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	1,842	426,912
Adjustments for:		
Taxation charged	15,300	70,637
Finance costs	51,427	59,323
Loss on disposal of tangible fixed assets	25,145	20,878
Depreciation and impairment of tangible fixed assets	1,102,875	1,080,364
Movements in working capital:		
(Increase)/decrease in stocks	(12,222)	11,665
Decrease/(increase) in debtors	281,101	(17,970)
Increase in creditors	106,450	59,856
Cash generated from operations	<u>1,571,918</u>	<u>1,711,665</u>

STUART NICOL TRANSPORT LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017

		2017		2016
	£	£	£	£
Turnover				
Sales of goods		10,953,349		10,411,905
Cost of sales				
Opening stock of raw materials	11,158		22,823	
Raw materials purchases	539,079		458,994	
Tyres	117,445		149,497	
Fuel and oil	3,317,135		2,985,635	
Licenses	73,847		59,854	
Vehicle and trailer hire	1,944		31,335	
Truck wash	6,533		6,325	
Parking	12,743		13,773	
Road and bridge tolls	133,878		65,558	
Other vehicle costs	158,540		131,224	
Vehicle tracking	20,066		10,990	
Closing stock of raw materials	(23,380)		(11,158)	
Wages and salaries	2,735,377		2,593,857	
Social security costs	267,578		239,774	
Subcontract labour	1,315,689		994,948	
Other staff costs	154,074		165,970	
Commissions payable	130,812		64,197	
Insurances (not premises)	170,193		159,465	
		(9,142,711)		(8,143,061)
Gross profit	16.53%	1,810,638	21.79%	2,268,844
Other operating income				
Sundry income		31,709		29,620
Administrative expenses		(1,773,778)		(1,741,592)
Operating profit		68,569		556,872
Interest payable and similar expenses				
Hire purchase interest payable		(51,427)		(59,323)
Profit before taxation	0.16%	17,142	4.78%	497,549

STUART NICOL TRANSPORT LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£	£
Administrative expenses		
Wages and salaries	346,127	304,334
Social security costs	37,292	27,574
Staff training	9,917	11,754
Staff pension costs defined contribution	20,043	18,529
Directors' remuneration	11,067	10,000
Directors' social security costs	253	258
Directors' pension costs - defined contribution scheme	960	960
Rent re operating leases	30,000	30,000
Rates	24,449	19,221
Cleaning	6,100	-
Power, light and heat	6,734	8,673
Property repairs and maintenance	12,524	784
Premises insurance	33,706	33,691
Computer running costs	13,893	10,652
Hire of equipment (not operating lease)	-	42,302
Travelling expenses	174	1,665
Legal and professional fees	1,463	-
Accountancy	5,905	5,000
Audit fees	9,000	9,000
Bank charges	11,041	4,589
Bad and doubtful debts	6,574	42,251
Printing and stationery	8,525	10,144
Advertising	15,055	10,725
Telecommunications	20,582	22,072
Entertaining	1,660	2,258
Sundry expenses	5,376	4,811
Depreciation	1,102,875	1,080,364
Profit or loss on sale of tangible assets (non exceptional)	25,145	20,878
Profit or loss on foreign exchange	897	-
Protective clothing	6,441	9,103
	<u>1,773,778</u>	<u>1,741,592</u>
