

Company Registration No. SC040439 (Scotland)

Harry Lawson Limited
Directors' report and accounts
for the year ended 31 May 2012

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Harry Lawson Limited

Company information

Directors	HS Lawson MS Lawson
Secretary	Mrs E Gourlay
Company number	SC040439
Registered office	Baluniefield Depot Balunie Drive Broughty Ferry Dundee DD2 8UU
Auditor	Henderson Loggie Royal Exchange Panmure Street Dundee DD1 1DZ
Bankers	Clydesdale Bank plc 96 High Street Dundee DD1 9DD

Harry Lawson Limited

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3
Profit and loss account	4
Balance sheet	5
Notes to the accounts	6 - 15

Harry Lawson Limited

Directors' report

For the year ended 31 May 2012

The directors present their report and accounts for the year ended 31 May 2012.

Principal activities and review of the business

The company carries on the business of a haulage contractor.

The company has achieved a solid result during the year with operating profit of £656,286, including £74,942 of profit on sale of fixed assets.

Turnover has increased 5% this year, from £7,840,258 to £8,261,821 but the gross margin has decreased from 17.8% to 16.5%.

Harry Lawson Limited operates in a highly competitive market. For some major customers, contracts are in place covering a fixed period over which the company will carry out work for the customer, and like all companies operating in this market, rising fuel costs can have an impact on the company.

The directors consider the future prospects for the company to be reasonable given the current difficult economic conditions.

Results and dividends

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

Directors

The following directors have held office since 1 June 2011:

HS Lawson

HBS Lawson

MS Lawson

HBS Lawson served as director until his death on 2 June 2012.

Harry Lawson Limited

Directors' report (continued) For the year ended 31 May 2012

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts 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 accounts, the directors are required to:

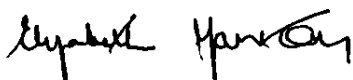
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 enable them to ensure that the accounts 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors 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.

By order of the board



Mrs E Gourlay

Secretary

15 August 2012

Harry Lawson Limited

Independent auditor's report To the members of Harry Lawson Limited

We have audited the accounts of Harry Lawson Limited for the year ended 31 May 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the accounts. In addition, we read all the financial and non financial information in the directors' report to identify material inconsistencies with the audited accounts. Should we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 May 2012 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.

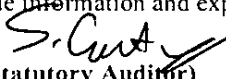
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


Stephen Cartwright (Senior Statutory Auditor)
for and on behalf of Henderson Loggie

Statutory Auditor

15 August 2012

Royal Exchange
Panmure Street
Dundee
DD1 1DZ

Harry Lawson Limited

Profit and loss account

For the year ended 31 May 2012

	Notes	2012 £	2011 £
Turnover	2	8,261,821	7,840,258
Cost of sales		<u>(6,906,733)</u>	<u>(6,446,501)</u>
Gross profit		1,355,088	1,393,757
Administrative expenses		<u>(698,802)</u>	<u>(715,408)</u>
Operating profit	3 - 4	656,286	678,349
Other interest receivable and similar income	6	663	120
Interest payable and similar charges	7	<u>-</u>	<u>(289)</u>
Profit on ordinary activities before taxation		656,949	678,180
Tax on profit on ordinary activities	8	<u>(137,486)</u>	<u>(162,351)</u>
Profit for the year	18	<u>519,463</u>	<u>515,829</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

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

Harry Lawson Limited

Balance sheet As at 31 May 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	10	4,233,301		3,773,488	
Investments	11	100		100	
		<u>4,233,401</u>		<u>3,773,588</u>	
Current assets					
Stocks	12	154,116		147,327	
Debtors	13	1,947,976		2,373,343	
Cash at bank and in hand		534,863		78,092	
		<u>2,636,955</u>		<u>2,598,762</u>	
Creditors: amounts falling due within one year	14	<u>(3,478,831)</u>		<u>(2,977,924)</u>	
Net current liabilities			<u>(841,876)</u>		<u>(379,162)</u>
Total assets less current liabilities			<u>3,391,525</u>		<u>3,394,426</u>
Provisions for liabilities	15		<u>(340,373)</u>		<u>(362,737)</u>
Net liabilities			<u><u>3,051,152</u></u>		<u><u>3,031,689</u></u>
Capital and reserves					
Called up share capital	17	20,000		20,000	
Share premium account	18	18,900		18,900	
Profit and loss account	18	3,012,252		2,992,789	
Shareholders' funds	19		<u><u>3,051,152</u></u>		<u><u>3,031,689</u></u>

Approved by the Board and authorised for issue on 15 August 2012



HS Lawson
Director

Company Registration No. SC040439

Harry Lawson Limited

Notes to the accounts

For the year ended 31 May 2012

1 Accounting policies

1.1 Accounting convention

The accounts are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that the parent company during the year, Lawson Trailer Rentals Limited, produces one which deals with the cash flows of the group.

1.2 Compliance with accounting standards

The accounts are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Revenue is recognised on delivery of goods.

1.4 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	8 - 12 years
Tenants improvements	20 years

1.5 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.

1.6 Investments

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

1.7 Stock

Stock is valued at cost and comprises vehicle spares and fuel.

1.8 Pensions

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.

Harry Lawson Limited

Notes to the accounts (continued)

For the year ended 31 May 2012

1 Accounting policies (continued)

1.9 Taxation

The tax expense represents the sum of the corporation tax and deferred tax charge for the year.

The tax currently payable is based on taxable profit for the year. The company's liability for current tax is calculated using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured on differences between the carrying amounts of assets and liabilities in the accounts and the corresponding tax bases, as used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available. 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 accounts, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2012	2011
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	816,283	736,902
Auditor's remuneration	7,000	6,600
and after crediting:		
Profit on disposal of tangible assets	74,942	43,889

Harry Lawson Limited

Notes to the accounts (continued) For the year ended 31 May 2012

4 Employees

Number of employees

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

	2012 Number	2011 Number
Haulage	64	65
Administration, including directors	13	12
	<u>77</u>	<u>77</u>

Employment costs

	2012 £	2011 £
Wages and salaries	2,404,750	2,290,192
Social security costs	260,639	222,420
Other pension costs	47,256	45,401
	<u>2,712,645</u>	<u>2,558,013</u>

5 Directors' remuneration

	2012 £	2011 £
Remuneration for qualifying services	278,235	263,428
Company pension contributions to defined contribution schemes	37,000	36,500
	<u>315,235</u>	<u>299,928</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2011 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	182,212	180,905
Company pension contributions to defined contribution schemes	25,000	30,000

Harry Lawson Limited

Notes to the accounts (continued) For the year ended 31 May 2012

6	Investment income	2012 £	2011 £
	Bank interest	<u>663</u>	<u>120</u>

7	Interest payable	2012 £	2011 £
	Hire purchase interest	<u>-</u>	<u>289</u>

Harry Lawson Limited

Notes to the accounts (continued) For the year ended 31 May 2012

8	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U.K. corporation tax	166,337	198,037
	Adjustment for prior years	(6,487)	-
	Current tax charge	<u>159,850</u>	<u>198,037</u>
	Deferred tax		
	Deferred tax charge/credit current year	2,190	(7,227)
	Deferred tax adjustment previous year	(24,554)	(28,459)
		<u>(22,364)</u>	<u>(35,686)</u>
		<u>137,486</u>	<u>162,351</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>656,949</u>	<u>678,180</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24% (2011 - 26%)	<u>157,668</u>	<u>176,327</u>
	Effects of:		
	Non deductible expenses	58	2,559
	Capital allowances in excess of depreciation	(2,190)	7,227
	Adjustments to previous periods	(6,487)	-
	Change in tax rate	10,801	11,924
		<u>2,182</u>	<u>21,710</u>
	Current tax charge	<u>159,850</u>	<u>198,037</u>
9	Dividends	2012	2011
		£	£
	Ordinary interim paid	<u>500,000</u>	<u>500,000</u>

Harry Lawson Limited

Notes to the accounts (continued) For the year ended 31 May 2012

10 Tangible fixed assets

	Plant and machinery £	Tenants improvements £	Total £
Cost			
At 1 June 2011	6,880,509	83,331	6,963,840
Additions	1,277,654	-	1,277,654
Disposals	(410,175)	-	(410,175)
At 31 May 2012	<u>7,747,988</u>	<u>83,331</u>	<u>7,831,319</u>
Depreciation			
At 1 June 2011	3,190,352	-	3,190,352
On disposals	(408,617)	-	(408,617)
Charge for the year	812,116	4,167	816,283
At 31 May 2012	<u>3,593,851</u>	<u>4,167</u>	<u>3,598,018</u>
Net book value			
At 31 May 2012	<u>4,154,137</u>	<u>79,164</u>	<u>4,233,301</u>
At 31 May 2011	<u>3,690,157</u>	<u>83,331</u>	<u>3,773,488</u>

11 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 June 2011 & at 31 May 2012	<u>20,000</u>
Provisions for diminution in value	
At 1 June 2011 & at 31 May 2012	<u>19,900</u>
Net book value	
At 31 May 2012	<u>100</u>
At 31 May 2011	<u>100</u>

Harry Lawson Limited

Notes to the accounts (continued) For the year ended 31 May 2012

12 Stocks	2012 £	2011 £
Raw materials and consumables	<u>154,116</u>	<u>147,327</u>

13 Debtors	2012 £	2011 £
Trade debtors	1,153,707	1,461,560
Amounts owed by group companies	703,114	765,813
Other debtors	1,240	7,695
Prepayments and accrued income	89,915	138,275
	<u>1,947,976</u>	<u>2,373,343</u>

14 Creditors: amounts falling due within one year	2012 £	2011 £
Trade creditors	504,605	476,097
Amounts owed to group companies	2,336,590	1,996,090
Corporation tax	57,337	87,414
Other taxes and social security costs	211,886	239,323
Accruals and deferred income	368,413	179,000
	<u>3,478,831</u>	<u>2,977,924</u>

Harry Lawson Limited

Notes to the accounts (continued) For the year ended 31 May 2012

15 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 June 2011	362,737
Profit and loss account	(22,364)
Balance at 31 May 2012	<u>340,373</u>

The deferred tax liability is made up as follows:

	2012 £	2011 £
Accelerated capital allowances	<u>340,373</u>	<u>362,737</u>

16 Pension and other Post-Retirement benefit commitments Defined contribution

	2012 £	2011 £
Contributions payable by the company for the year	<u>47,256</u>	<u>45,401</u>

17 Share capital

	2012 £	2011 £
Allotted, called up and fully paid 20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

Harry Lawson Limited

Notes to the accounts (continued) For the year ended 31 May 2012

18 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 June 2011	18,900	2,992,789
Profit for the year	-	519,463
Dividends paid	-	(500,000)
Balance at 31 May 2012	18,900	3,012,252

19 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	519,463	515,829
Dividends	(500,000)	(500,000)
Net addition to shareholders' funds	19,463	15,829
Opening shareholders' funds	3,031,689	3,015,860
Closing shareholders' funds	3,051,152	3,031,689

20 Capital commitments

	2012 £	2011 £
At 31 May 2012 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	297,000	191,976

21 Control

The company is a wholly owned subsidiary of Lawson Trailer Rentals Limited, a company registered in Scotland and incorporated in Great Britain.

Dividends of £500,000 (2011 - £500,000) were paid to Lawson Trailer Rentals Limited in the year.

The party with the ultimate control of the company is HS Lawson.

Harry Lawson Limited

Notes to the accounts (continued)

For the year ended 31 May 2012

22 Related party relationships and transactions

There is a cross guarantee between Harry Lawson Limited, Lawson Trailer Rentals Limited and their respective subsidiary companies. The company has also granted a bond and floating charge to the Clydesdale Bank plc. The amounts owed by these companies to the bank at 31 May 2012 were £Nil (2011 - £Nil).

The company has taken advantage of the exemptions under Financial Reporting Standard No 8 Related Party Disclosure not to disclose related party transactions between companies which are 100% owned by the ultimate parent company and where consolidated accounts are prepared.