COMPANY REGISTRATION NUMBER SC083965

HAULAGE SHETLAND LIMITED

FINANCIAL STATEMENTS

FOR

31ST JULY 2012

SATURDAY


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SCT 13/04/2013 #590
COMPANIES HOUSE

WILLIAMSON & DUNN
Chartered Accountants & Statutory Auditor
3 West Craibstone Street
Aberdeen
AB11 6YW

HAULAGE SHETLAND LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2012

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HAULAGE SHETLAND LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST JULY 2012

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st July 2012.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW
The principal activity of the company during the year was that of road haulage and warehousing.

The directors are satisfied with the results for the year with the company maintaining its position in the local haulage market. The directors intend to continue to develop the company's existing business and believe that the company is well placed for the future.

The management of the company regard the following to be key performance indicators that are used in order to monitor the company's progress.

Key performance indicators

	2012 £'000	2011 £'000
Gross profit	801	1,227
Gross profit margin	10.8%	15.4%
Profit before tax	324	773
Net assets	2,907	2,727

RESULTS AND DIVIDENDS
The profit for the year, after taxation, amounted to £265,064. Particulars of dividends paid are detailed in note 8 to the financial statements.

FINANCIAL INSTRUMENTS
Details of the company's financial risk management objectives and policies are included in note 17 to the accounts.

DIRECTORS
The directors who served the company during the year were as follows:

Mr H Balfour
Mrs K Balfour

DIRECTORS' RESPONSIBILITIES
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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 year.

In preparing those financial statements, 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 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 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Registered office:
Greenhead
Lerwick
Shetland
ZE1 0PY

Signed on behalf of the directors

H Balfour

Director

Approved by the directors on 5th December 2012

HAULAGE SHETLAND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HAULAGE SHETLAND LIMITED

YEAR ENDED 31ST JULY 2012

We have audited the financial statements of Haulage Shetland Limited for the year ended 31st July 2012. 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 to 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements 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 (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements 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 ; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st July 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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 financial statements 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.

KENNETH TAIT CA (Senior Statutory Auditor)
For and on behalf of
WILLIAMSON & DUNN
Chartered Accountants & Statutory Auditor

3 West Craibstone Street
Aberdeen
AB11 6YW

5th December 2012

HAULAGE SHETLAND LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST JULY 2012

	Note	2012 £	2011 £
TURNOVER	2	**7,423,888**	7,962,447
Cost of sales		**6,623,322**	6,735,041
GROSS PROFIT		**800,566**	1,227,406
Administrative expenses		**461,621**	431,579
OPERATING PROFIT	3	**338,945**	795,827
Interest receivable		**1,106**	1,345
Interest payable and similar charges	6	**(15,733)**	(24,048)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**324,318**	773,124
Tax on profit on ordinary activities	7	**59,254**	192,633
PROFIT FOR THE FINANCIAL YEAR		**265,064**	580,491

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 10 to 18 form part of these financial statements.

HAULAGE SHETLAND LIMITED

BALANCE SHEET

31ST JULY 2012

	Note	2012 £	£	2011 £	£
FIXED ASSETS					
Tangible assets	9		2,272,626		2,010,202
CURRENT ASSETS					
Stocks	10	91,561		91,784	
Debtors	11	1,367,959		1,587,910	
Cash at bank		642,521		618,177	
		2,102,041		2,297,871	
CREDITORS: Amounts falling due within one year	12	1,243,700		1,415,526	
NET CURRENT ASSETS			858,341		882,345
TOTAL ASSETS LESS CURRENT LIABILITIES			3,130,967		2,892,547
CREDITORS: Amounts falling due after more than one year	13		115,833		51,290
PROVISIONS FOR LIABILITIES					
Deferred taxation	16		107,970		114,157
			2,907,164		2,727,100

The Balance sheet continues on the following page.

The notes on pages 10 to 18 form part of these financial statements.

HAULAGE SHETLAND LIMITED

BALANCE SHEET *(continued)*

31ST JULY 2012

	Note	2012 £	2012 £	2011 £	2011 £
CAPITAL AND RESERVES					
Called-up equity share capital	**20**		**10,000**		10,000
Other reserves	**21**		**10,000**		10,000
Profit and loss account	**22**		**2,887,164**		2,707,100
SHAREHOLDERS' FUNDS	**23**		**2,907,164**		2,727,100

These financial statements were approved by the directors and authorised for issue on 5th December 2012, and are signed on their behalf by:

MR H BALFOUR

Company Registration Number: SC083965

The notes on pages 10 to 18 form part of these financial statements.

HAULAGE SHETLAND LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31ST JULY 2012

	Note	2012 £	2012 £	2011 £	2011 £
NET CASH INFLOW FROM OPERATING ACTIVITIES			**924,071**		1,126,107
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		**1,106**		1,345	
Interest element of hire purchase		**(15,733)**		(24,048)	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			**(14,627)**		(22,703)
TAXATION			**(173,068)**		(218,737)
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		**(868,688)**		(715,251)	
Receipts from sale of fixed assets		**136,000**		153,401	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE			**(732,688)**		(561,850)
EQUITY DIVIDENDS PAID			**(85,000)**		(130,000)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING			**(81,312)**		192,817
FINANCING					
Capital element of hire purchase		**105,656**		(95,704)	
NET CASH INFLOW/(OUTFLOW) FROM FINANCING			**105,656**		(95,704)
INCREASE IN CASH			**24,344**		97,113

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit	**338,945**	795,827
Depreciation	**483,811**	460,416
(Profit)/Loss on disposal of fixed assets	**(13,547)**	22,418
Decrease/(increase) in stocks	**223**	(7,691)
Decrease/(increase) in debtors	**219,951**	(311,729)
(Decrease)/increase in creditors	**(105,312)**	166,866
Net cash inflow from operating activities	**924,071**	1,126,107

HAULAGE SHETLAND LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31ST JULY 2012

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2012		2011	
	£	£	£	£
Increase in cash in the period	**24,344**		97,113	
Cash outflow in respect of hire purchase	**(105,656)**		95,704	
		(81,312)		192,817
Change in net funds		**(81,312)**		192,817
Net funds at 1 August 2011		**416,693**		223,876
Net funds at 31 July 2012		**335,381**		416,693

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Aug 2011	Cash flows	At 31 Jul 2012
	£	£	£
Net cash:			
Cash in hand and at bank	**618,177**	**24,344**	**642,521**
Debt:			
Hire purchase agreements	**(201,484)**	**(105,656)**	**(307,140)**
Net funds	**416,693**	**(81,312)**	**335,381**

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments.

Turnover

In respect of contracts for on-going services and in accordance with UITF 40, turnover is recognised as the services are performed and is stated net of VAT.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Heritable property	- over	50 years
Plant and equipment	- over	5 years
Motor vehicles and trailers	- over	4 - 8 years

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

1. ACCOUNTING POLICIES *(continued)*

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.
An analysis of turnover is given below:

	2012	2011
	£	£
United Kingdom	**7,423,888**	7,962,447

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2012	2011
	£	£
Depreciation of owned fixed assets	**341,657**	247,861
Depreciation of assets held under hire purchase agreements	**142,154**	212,555
(Profit)/Loss on disposal of fixed assets	**(13,547)**	22,418
Auditor's remuneration		
- as auditor	**6,000**	5,850

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2012	2011
	No	No
Number of distribution staff	**43**	42
Number of administrative staff	**9**	8
	52	50

The aggregate payroll costs of the above were:

	2012	2011
	£	£
Wages and salaries	**1,504,478**	1,384,008
Social security costs	**150,033**	137,146
Other pension costs	**490**	840
	1,655,001	1,521,994

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2012	2011
	£	£
Aggregate remuneration	**48,000**	48,000

The number of directors who accrued benefits under company pension schemes was as follows:

	2012	2011
	No	No
Money purchase schemes	**2**	2

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Finance charges	**15,733**	24,048

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2012 £	2011 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 24% (2011 - 26%)	**65,441**	208,068
Total current tax	**65,441**	208,068
Deferred tax:		
Origination and reversal of timing differences (note 16) Capital allowances	**(6,187)**	(15,435)
Tax on profit on ordinary activities	**59,254**	192,633

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24% (2011 - 26%).

	2012 £	2011 £
Profit on ordinary activities before taxation	**324,318**	773,124
Profit on ordinary activities by rate of tax	**77,836**	201,012
Expenses not deductible for tax purposes	**671**	842
Capital allowances in excess of depreciation	**(1,611)**	7,114
Change in tax rates	**4,273**	10,703
Marginal relief	**(15,728)**	(11,603)
Total current tax (note 7(a))	**65,441**	208,068

8. DIVIDENDS

Equity dividends

	2012 £	2011 £
Paid		
Equity dividends on ordinary shares	**85,000**	130,000

9. TANGIBLE FIXED ASSETS

	Heritable property £	Plant and equipment £	Vehicles and trailers £	Total £
COST				
At 1st August 2011	**204,627**	**274,536**	**4,822,184**	**5,301,347**
Additions	**–**	**27,366**	**841,322**	**868,688**
Disposals	**–**	**(18,001)**	**(292,870)**	**(310,871)**
At 31st July 2012	**204,627**	**283,901**	**5,370,636**	**5,859,164**
DEPRECIATION				
At 1st August 2011	**53,414**	**246,763**	**2,990,968**	**3,291,145**
Charge for the year	**4,093**	**15,128**	**464,590**	**483,811**
On disposals	**–**	**(18,001)**	**(170,417)**	**(188,418)**
At 31st July 2012	**57,507**	**243,890**	**3,285,141**	**3,586,538**
NET BOOK VALUE				
At 31st July 2012	**147,120**	**40,011**	**2,085,495**	**2,272,626**
At 31st July 2011	151,213	27,773	1,831,216	2,010,202

Hire purchase agreements

Included within the net book value of £2,272,626 is £1,068,985 (2011 - £881,173) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £142,154 (2011 - £212,555).

10. STOCKS

	2012 £	2011 £
Raw materials	**91,561**	91,784

11. DEBTORS

	2012 £	2011 £
Trade debtors	**1,288,944**	1,517,798
Other debtors	**79,015**	70,112
	1,367,959	1,587,910

12. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	594,272	663,447
Other creditors including taxation and social security:		
Corporation tax	20,441	128,068
PAYE and social security	36,344	35,860
VAT	120,671	153,420
Hire purchase agreements	191,307	150,194
Other creditors	241,564	246,665
	1,204,599	1,377,654
Accruals and deferred income	39,101	37,872
	1,243,700	1,415,526

13. CREDITORS: Amounts falling due after more than one year

	2012	2011
	£	£
Other creditors:		
Hire purchase agreements	115,833	51,290

14. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2012	2011
	£	£
Amounts payable within 1 year	191,307	150,194
Amounts payable between 2 to 5 years	115,833	51,290
	307,140	201,484

15. PENSIONS

The company operates a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are paid based upon the recommendations of a qualified actuary. The annual commitment under this scheme is for contributions of £490 (2011 - £840).

16. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2012	2011
	£	£
Provision brought forward	114,157	129,592
Profit and loss account movement arising during the year	(6,187)	(15,435)
Provision carried forward	107,970	114,157

16. DEFERRED TAXATION *(continued)*

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2012	2011
	£	£
Excess of taxation allowances over depreciation on fixed assets	**107,970**	114,157
	107,970	114,157

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company holds or issues financial instruments in order to achieve three main objectives, being:

(a) to finance its operations;

(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and

(c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

Interest rate risk

The company did not have bank borrowings during the years ended 31 July 2012 and 31 July 2011.

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Liquidity risk

The company manages its cash and borrowing requirements to minimise interest expense, whilst ensuring that the company has sufficient liquid resources to meet the operating needs of the business.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
(continued)

Fair values of financial assets and liabilities

Financial instruments included in the accounts have been reviewed and the carrying values per the accounts is the same as the fair value of these financial instruments.

18. COMMITMENTS UNDER OPERATING LEASES

At 31st July 2012 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire:		
Within 1 year	**33,091**	44,971
Within 2 to 5 years	**60,060**	50,998
After more than 5 years	**48,671**	61,921
	141,822	157,890

19. RELATED PARTY TRANSACTIONS

The company was under the control of the directors throughout the current and previous year.

During the year the company paid dividends to the directors of £85,000 (2011 - £130,000).

20. SHARE CAPITAL

Allotted, called up and fully paid:

	2012		2011	
	No	**£**	No	£
10,000 Ordinary shares of £1 each	**10,000**	**10,000**	10,000	10,000

21. OTHER RESERVES

	2012	2011
	£	£
Capital redemption reserve	**10,000**	10,000

22. PROFIT AND LOSS ACCOUNT

	2012	2011
	£	£
Balance brought forward	**2,707,100**	2,256,609
Profit for the financial year	**265,064**	580,491
Equity dividends	**(85,000)**	(130,000)
Balance carried forward	**2,887,164**	2,707,100

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Profit for the financial year	**265,064**	580,491
Equity dividends	**(85,000)**	(130,000)
Net addition to shareholders' funds	**180,064**	450,491
Opening shareholders' funds	**2,727,100**	2,276,609
Closing shareholders' funds	**2,907,164**	2,727,100