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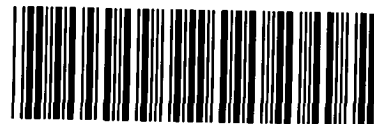
Registered number
SC174690

J & D PIERCE (CONTRACTS) LIMITED

Abbreviated Report and Accounts

31 July 2016

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J & D PIERCE (CONTRACTS) LIMITED
Report and accounts
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J & D PIERCE (CONTRACTS) LIMITED
Company Information

Directors

J Pierce
D Pierce

Auditors

John Kerr & Company CA
32a Hamilton Street
SALTCOATS
Ayrshire
KA21 5DS

Registered number

SC174690

J & D PIERCE (CONTRACTS) LIMITED

Registered number: SC174690

Directors' Report

The directors present their report and accounts for the year ended 31 July 2016.

Principal activities

The company's principal activity during the year continued to be that of steel fabrication.

Review of the business

The directors are satisfied that the company's results for the year to 31 July 2016 are in line with profit and liquidity expectations. It is anticipated that economic conditions in the year to 31 July 2017 will be similar, to those of the current year.

The directors recognise the principal risks in the company's market as:

Raw material price increases at short notice

Changes to general economic conditions

Relatively short notice of delays for project on site start date.

Future developments

The company has continued to invest in capital equipment to improve efficiency, quality and increase output. Within our 32 acre site a large new additional factory has been completed along with office and welfare facilities allowing the company to increase both capacity and capability. The company continues to invest in all areas of the business to ensure continued efficiency.

Key performance indicators

All of the key performance indicators of the company for the year to 31 July 2016 are satisfactory.

Financial instrument risk

The company's financial instrument comprise borrowings, some cash and various items such as trade debtors and creditors that arise directly from its operations. The main purpose of these instruments is to raise finance for operations. The company has not entered into derivative transactions nor does it trade in financial instruments as a matter of policy. The main risk arising from the company's financial instruments are interest rate risk and liquidity risk.

Dividends

The total distribution of dividends during the year to 31 July 2016 was £651000 (2015: £715500).

Events since the balance sheet date

The directors do not consider that there have been any events since the balance sheet date which materially affect the financial statements.

Strategic Report

The company continues to improve and expand the company's facilities and production capabilities. The directors anticipate that the company will maintain strong profitability and liquidity in the year to 31 July 2017.

Directors

The following persons served as directors during the year:

J Pierce

D Pierce



Directors' responsibilities

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

J & D PIERCE (CONTRACTS) LIMITED

Registered number: SC174690

Directors' Report

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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

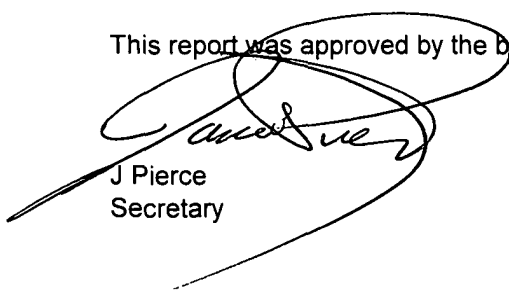
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. 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.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 22 December 2016 and signed by its order.



J Pierce
Secretary

J & D PIERCE (CONTRACTS) LIMITED
Independent auditors' report
to the members of J & D PIERCE (CONTRACTS) LIMITED

We have audited the accounts of J & D PIERCE (CONTRACTS) LIMITED for the year ended 31 July 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses 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 auditors' 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 Statement of Directors' Responsibilities, 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on the accounts

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 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 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.


John Kerr
(Senior Statutory Auditor)
for and on behalf of
John Kerr & Company CA
Accountants and Statutory Auditors
22 December 2016

32a Hamilton Street
SALTCOATS
Ayrshire
KA21 5DS

J & D PIERCE (CONTRACTS) LIMITED
Profit and Loss Account
for the year ended 31 July 2016

	Notes	2016 £	2015 £
Turnover	2	35,473,851	45,801,666
Cost of sales		(24,737,131)	(31,810,904)
Gross profit		10,736,720	13,990,762
Administrative expenses		(6,035,198)	(5,403,129)
Other operating income		32,000	7,960
Operating profit	3	<u>4,733,522</u>	<u>8,595,593</u>
Interest receivable		19,616	8,160
Interest payable	6	(88,845)	(57,465)
Profit on ordinary activities before taxation		<u>4,664,293</u>	<u>8,546,288</u>
Tax on profit on ordinary activities	7	(958,917)	(1,744,028)
Profit for the financial year		<u>3,705,376</u>	<u>6,802,260</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

J & D PIERCE (CONTRACTS) LIMITED
Statement of total recognised gains and losses
for the year ended 31 July 2016

	Notes	2016 £	2015 £
Profit for the financial year		3,705,376	6,802,260
Total recognised gains and losses related to the year		<u>3,705,376</u>	<u>6,802,260</u>

J & D PIERCE (CONTRACTS) LIMITED
Balance Sheet
as at 31 July 2016

	Notes	2016 £	2015 £
Fixed assets			
Intangible assets	8	31,609	-
Tangible assets	9	12,772,693	8,180,572
		<u>12,804,302</u>	<u>8,180,572</u>
Current assets			
Stocks	10	75,000	60,500
Debtors	11	7,531,627	10,864,388
Cash at bank and in hand		6,463,546	7,644,329
		<u>14,070,173</u>	<u>18,569,217</u>
Creditors: amounts falling due within one year	12	(7,021,445)	(10,558,167)
Net current assets		<u>7,048,728</u>	<u>8,011,050</u>
Total assets less current liabilities		<u>19,853,030</u>	<u>16,191,622</u>
Creditors: amounts falling due after more than one year	13	(2,621,248)	(2,113,419)
Provisions for liabilities			
Deferred taxation	15	(513,669)	(414,466)
Net assets		<u>16,718,113</u>	<u>13,663,737</u>
Capital and reserves			
Called up share capital	16	100,000	100,000
Profit and loss account	17	16,618,113	13,563,737
Shareholders' funds	19	<u>16,718,113</u>	<u>13,663,737</u>

J Pierce
Director

D Pierce
Director

Approved by the board on 22 December 2016

J & D PIERCE (CONTRACTS) LIMITED
Cash Flow Statement
for the year ended 31 July 2016

	Notes	2016 £	2015 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		4,733,522	4,846,492
Depreciation and amortisation		795,001	500,269
Increase in stocks		(14,500)	(38,395)
Decrease/(increase) in debtors		3,332,761	(5,504,915)
(Decrease)/increase in creditors		(3,050,628)	4,551,641
Net cash inflow from operating activities		<u>5,796,156</u>	<u>4,355,092</u>

CASH FLOW STATEMENT

Net cash inflow from operating activities		5,796,156	4,355,092
Returns on investments and servicing of finance	20	(69,244)	(33,841)
Taxation		(1,705,818)	(251,579)
Capital expenditure	20	<u>(5,418,731)</u>	<u>(1,785,752)</u>
		(1,397,637)	2,283,920
Equity dividends paid		<u>(651,000)</u>	<u>(619,400)</u>
		(2,048,637)	1,664,520
Financing	20	665,422	(610,132)
(Decrease)/increase in cash		<u>(1,383,215)</u>	<u>1,054,388</u>

Reconciliation of net cash flow to movement in net debt

(Decrease)/increase in cash in the period		(1,383,215)	1,054,388
(Increase)/decrease in debt and lease financing		(665,422)	610,132
Change in net debt	21	<u>(2,048,637)</u>	<u>1,664,520</u>
Net funds at 1 August		<u>5,037,916</u>	<u>857,090</u>
Net funds at 31 July		<u>2,989,279</u>	<u>5,037,916</u>

J & D PIERCE (CONTRACTS) LIMITED
Notes to the Accounts
for the year ended 31 July 2016

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	over 50 years
Motor vehicles	25% reducing balance
Fittings and equipment	20% reducing balance
Plant and machinery	10% reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value.

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

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

J & D PIERCE (CONTRACTS) LIMITED
Notes to the Accounts
for the year ended 31 July 2016

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Analysis of turnover	2016	2015
	£	£
By activity:		
Steel Fabrication	<u>35,473,851</u>	<u>45,801,666</u>
By geographical market:		
UK	<u>35,473,851</u>	<u>45,801,666</u>
3 Operating profit	2016	2015
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	352,769	328,834
Depreciation of assets held under finance leases and hire purchase contracts	209,812	171,435
Amortisation of goodwill	266	-
Auditors' remuneration for audit services	<u>5,160</u>	<u>5,160</u>
4 Directors' emoluments	2016	2015
	£	£
Emoluments	<u>20,800</u>	<u>20,803</u>
Highest paid director:		
Emoluments	<u>20,800</u>	<u>20,803</u>
Number of directors in company pension schemes:	2016	2015
	Number	Number
Money purchase schemes	<u>1</u>	<u>1</u>

J & D PIERCE (CONTRACTS) LIMITED
Notes to the Accounts
for the year ended 31 July 2016

5 Staff costs	2016 £	2015 £
Wages and salaries	1,975,872	1,596,428
Social security costs	223,398	180,591
Other pension costs	111,023	88,985
	<u>2,310,293</u>	<u>1,866,004</u>

6 Interest payable	2016 £	2015 £
Bank loans and overdrafts	49,954	28,816
Other loans	418	-
Finance charges payable under finance leases and hire purchase contracts	38,473	28,649
	<u>88,845</u>	<u>57,465</u>

7 Taxation	2016 £	2015 £
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	859,714	1,705,736
Deferred tax:		
Origination and reversal of timing differences	99,203	38,292
	<u>958,917</u>	<u>1,744,028</u>
Tax on profit on ordinary activities		

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>4,664,293</u>	<u>8,546,288</u>
Standard rate of corporation tax in the UK	20%	21%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	932,859	1,794,720
Effects of:		
Expenses not deductible for tax purposes	(73,145)	(88,984)
Current tax charge for period	<u>859,714</u>	<u>1,705,736</u>

J & D PIERCE (CONTRACTS) LIMITED
Notes to the Accounts
for the year ended 31 July 2016

8 Intangible fixed assets	£
Intellectual property	
Cost	
Additions	31,875
At 31 July 2016	<u>31,875</u>
Amortisation	
Provided during the year	266
At 31 July 2016	<u>266</u>
Net book value	
At 31 July 2016	<u>31,609</u>

The value of intellectual property is being written off in equal annual instalments over its estimated economic life of 5 years.

9 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures, fittings, tools and equipment £	Total £
Cost				
At 1 August 2015	4,007,521	7,136,493	314,296	11,458,310
Additions	2,533,276	2,960,454	85,285	5,579,015
Disposals	-	(399,160)	-	(399,160)
At 31 July 2016	<u>6,540,797</u>	<u>9,697,787</u>	<u>399,581</u>	<u>16,638,165</u>
Depreciation				
At 1 August 2015	335,097	2,714,496	228,145	3,277,738
Charge for the year	80,346	693,745	20,644	794,735
On disposals	-	(207,001)	-	(207,001)
At 31 July 2016	<u>415,443</u>	<u>3,201,240</u>	<u>248,789</u>	<u>3,865,472</u>
Net book value				
At 31 July 2016	<u>6,125,354</u>	<u>6,496,547</u>	<u>150,792</u>	<u>12,772,693</u>
At 31 July 2015	<u>3,672,424</u>	<u>4,421,997</u>	<u>86,151</u>	<u>8,180,572</u>

Freehold land and buildings:	2016	2015
	£	£
Historical cost	<u>6,540,797</u>	<u>4,007,821</u>
Cumulative depreciation based on historical cost	<u>415,443</u>	<u>335,097</u>

J & D PIERCE (CONTRACTS) LIMITED
Notes to the Accounts
for the year ended 31 July 2016

	2016 £	2015 £
Net book value of fixed assets included above held under finance leases and hire purchase contracts	<u>1,944,652</u>	<u>1,889,565</u>

10 Stocks	2016 £	2015 £
Raw materials and consumables	<u>75,000</u>	<u>60,500</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

11 Debtors	2016 £	2015 £
Trade debtors	46,494	49,313
Prepayments and accrued income	119,476	15,887
Amounts recoverable on long term contracts	<u>7,365,657</u>	<u>10,799,188</u>
	<u>7,531,627</u>	<u>10,864,388</u>

12 Creditors: amounts falling due within one year	2016 £	2015 £
Bank loans and overdrafts	430,793	228,361
Obligations under finance lease and hire purchase contracts	422,226	264,633
Trade creditors	4,910,387	5,934,968
Corporation tax	859,714	1,705,818
Other taxes and social security costs	93,551	1,823,823
Other creditors	120,398	346,419
Accruals and deferred income	<u>184,376</u>	<u>254,145</u>
	<u>7,021,445</u>	<u>10,558,167</u>

13 Creditors: amounts falling due after one year	2016 £	2015 £
Bank loans	1,501,123	1,679,706
Obligations under finance lease and hire purchase contracts	<u>1,120,125</u>	<u>433,713</u>
	<u>2,621,248</u>	<u>2,113,419</u>

The bank loan is secured over the company's property.

J & D PIERCE (CONTRACTS) LIMITED
Notes to the Accounts
for the year ended 31 July 2016

14 Obligations under finance leases and hire purchase contracts		2016	2015	
		£	£	
Amounts payable:				
Within one year		422,226	264,633	
Within two to five years		1,120,125	433,713	
		<u>1,542,351</u>	<u>698,346</u>	
15 Deferred taxation		2016	2015	
		£	£	
Accelerated capital allowances		513,669	414,466	
Undiscounted provision for deferred tax		513,669	414,466	
		2016	2015	
		£	£	
At 1 August		414,466	376,174	
Deferred tax charge in profit and loss account		99,203	38,292	
		<u>513,669</u>	<u>414,466</u>	
At 31 July				
16 Share capital	Nominal value	2016	2016	2015
		Number	£	£
Allotted, called up and fully paid:				
Ordinary shares	£1 each	100,000	<u>100,000</u>	<u>100,000</u>
17 Profit and loss account		2016		
		£		
At 1 August 2015		13,563,737		
Profit for the financial year		3,705,376		
Dividends		(651,000)		
		<u>16,618,113</u>		
At 31 July 2016				

J & D PIERCE (CONTRACTS) LIMITED
Notes to the Accounts
for the year ended 31 July 2016

18 Dividends	2016	2015
	£	£
Dividends for which the company became liable during the year:		
Dividends paid	<u>651,000</u>	<u>715,500</u>
19 Reconciliation of movement in shareholders' funds	2016	2015
	£	£
At 1 August	13,663,737	7,576,977
Profit for the financial year	3,705,376	6,802,260
Dividends	(651,000)	(715,500)
At 31 July	<u>16,718,113</u>	<u>13,663,737</u>
20 Gross cash flows	2016	2015
	£	£
Returns on investments and servicing of finance		
Interest received	19,616	1,194
Interest paid	(50,372)	(41,030)
Interest element of finance lease rental payments	(38,488)	-
	<u>(69,244)</u>	<u>(39,836)</u>
Capital expenditure		
Payments to acquire intangible fixed assets	(31,875)	-
Payments to acquire tangible fixed assets	(5,579,015)	(1,217,696)
Receipts from sales of tangible fixed assets	192,159	95,786
	<u>(5,418,731)</u>	<u>(1,121,910)</u>
Financing		
Loan repayments	(178,583)	(577,067)
Capital element of finance lease rental payments	844,005	(17,899)
	<u>665,422</u>	<u>(594,966)</u>

J & D PIERCE (CONTRACTS) LIMITED
Notes to the Accounts
for the year ended 31 July 2016

21 Analysis of changes in net debt

	At 1 Aug 2015 £	Cash flows £	Non-cash changes £	At 31 Jul 2016 £
Cash at bank and in hand	7,644,329	(1,180,783)		6,463,546
Overdrafts	-	(202,432)		(202,432)
		(1,383,215)		
Debt due within 1 year	(228,361)	-		(228,361)
Debt due after 1 year	(1,679,706)	178,583		(1,501,123)
Finance leases	(698,346)	(844,005)		(1,542,351)
		(665,422)		
Total	5,037,916	(2,048,637)	-	2,989,279

22 Capital commitments

2016
£

2015
£

Amounts contracted for but not provided in the accounts

- 2,000,000

The company is developing land purchased in prior year, adjacent to new property, to continue to expand and improve the facilities.

23 Ultimate controlling party

All of the share capital is owned by the Directors.