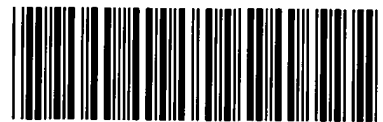


Registered number  
SC174690

J&D Pierce (Contracts) Limited  
Filleter Report and Financial Statements  
31 July 2017

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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 office**

Unit 14 Caledonian Road  
Glengarnock  
Ayrshire  
KA14 3DA

**Registered number**

SC174690

**J&D Pierce (Contracts) Limited****Registered number:** SC174690**Directors' Report**

The directors present their report and financial statements for the year ended 31 July 2017.

**Principal activities**

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

**Research and development**

The directors have reviewed their research and development activity throughout the year and will continue to do so in the future.

**Dividends**

The total distribution of dividends during the year to 31 July 2017 was £843,333 (2016: £651,000)

**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.

**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 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 (Financial Reporting Standard 102 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 period. In preparing these financial statements, the directors are

- 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 financial statements;
- 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.

**J&D Pierce (Contracts) Limited**

**Registered number:** SC174690

**Directors' Report**

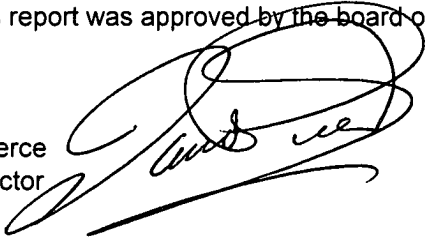
**Disclosure of information to auditors**

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 10 November 2017 and signed on its behalf.

J Pierce  
Director

A handwritten signature in black ink, appearing to be 'J Pierce', written over a circular stamp or seal.

## **J&D Pierce (Contracts) Limited**

### **Strategic Report**

The year to 31 July 2017 was a successful year for the company when turnover and profit before tax increased. Several large scale contracts were ongoing throughout the year and have been successfully completed. The company's aim is to continue to expand the facilities which it offers to customers and there is an extension to the current factory facility to provide an all encompassed manufacture and fabrication facility which will offer continuous production and provide greater efficiency in forthcoming years. The current business environment is such that all contracts which are tendered require to be done on a basis of careful consideration of both profit margin, and cash flow. The current economic circumstances which have been impacted by Brexit affect this company as every other in the United Kingdom. The company continues to expand it's contract customer base covering all of the UK. The factors concerning the business overall remain to be the price of raw materials, availability of skilled and suitable labour and any delays in commencing major contracts.

---

**J&D Pierce (Contracts) Limited**  
**Independent auditor's report**  
**to the members of J&D Pierce (Contracts) Limited**

**Opinion**

We have audited the financial statements of J&D Pierce (Contracts) Limited for the year ended 31 July 2017 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, 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 the Republic of Ireland' (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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis of 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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 other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**J&D Pierce (Contracts) Limited**  
**Independent auditor's report**  
**to the members of J&D Pierce (Contracts) 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 or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are 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 directors are 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 directors 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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

  
John Kerr  
(Senior Statutory Auditor)  
for and on behalf of  
John Kerr & Company CA  
Accountants and Statutory Auditors  
10 November 2017

32a Hamilton Street  
Saltcoats  
Ayrshire  
KA21 5DS

**J&D Pierce (Contracts) Limited**  
**Income Statement**  
**for the year ended 31 July 2017**

|                                                      | <b>Notes</b> | <b>2017<br/>£</b> | <b>2016<br/>£</b> |
|------------------------------------------------------|--------------|-------------------|-------------------|
| <b>Gross profit</b>                                  |              | 16,966,738        | 10,736,720        |
| Administrative expenses                              |              | (7,067,820)       | (6,044,039)       |
| Other operating income                               |              | 608               | 32,000            |
| <b>Operating profit</b>                              | <b>3</b>     | <u>9,899,526</u>  | <u>4,724,681</u>  |
| Profit on sale of fixed assets                       |              | 3,920             | 8,841             |
| Interest receivable                                  |              | 5,476             | 19,616            |
| Interest payable                                     | <b>6</b>     | (121,447)         | (88,860)          |
| <b>Profit on ordinary activities before taxation</b> |              | <u>9,787,475</u>  | <u>4,664,278</u>  |
| Tax on profit on ordinary activities                 | <b>7</b>     | (1,926,596)       | (958,917)         |
| <b>Profit for the financial year</b>                 |              | <u>7,860,879</u>  | <u>3,705,361</u>  |

**J&D Pierce (Contracts) Limited**  
**Statement of comprehensive income**  
**for the year ended 31 July 2017**

|                                                | <b>Notes</b> | <b>2017</b><br><b>£</b> | <b>2016</b><br><b>£</b> |
|------------------------------------------------|--------------|-------------------------|-------------------------|
| <b>Profit for the financial year</b>           |              | 7,860,879               | 3,705,361               |
| <b>Other comprehensive income</b>              |              |                         |                         |
| <b>Total comprehensive income for the year</b> |              | <u>7,860,879</u>        | <u>3,705,361</u>        |

**J&D Pierce (Contracts) Limited**  
**Statement of Financial Position**  
**as at 31 July 2017**

|                                                                | Notes | 2017<br>£         | 2016<br>£         |
|----------------------------------------------------------------|-------|-------------------|-------------------|
| <b>Fixed assets</b>                                            |       |                   |                   |
| Intangible assets                                              | 8     | 57,108            | 31,609            |
| Tangible assets                                                | 9     | 13,966,742        | 12,772,693        |
|                                                                |       | <u>14,023,850</u> | <u>12,804,302</u> |
| <b>Current assets</b>                                          |       |                   |                   |
| Stocks                                                         | 10    | 50,000            | 75,000            |
| Debtors                                                        | 11    | 13,837,472        | 7,531,627         |
| Cash at bank and in hand                                       |       | 11,121,254        | 6,463,546         |
|                                                                |       | <u>25,008,726</u> | <u>14,070,173</u> |
| <b>Creditors: amounts falling due within one year</b>          | 12    | (12,633,118)      | (7,021,445)       |
| <b>Net current assets</b>                                      |       | <u>12,375,608</u> | <u>7,048,728</u>  |
| <b>Total assets less current liabilities</b>                   |       | <u>26,399,458</u> | <u>19,853,030</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 13    | (2,115,657)       | (2,621,248)       |
| <b>Provisions for liabilities</b>                              |       |                   |                   |
| Deferred taxation                                              | 15    | (548,142)         | (513,669)         |
| <b>Net assets</b>                                              |       | <u>23,735,659</u> | <u>16,718,113</u> |
| <b>Capital and reserves</b>                                    |       |                   |                   |
| Called up share capital                                        | 16    | 100,000           | 100,000           |
| Profit and loss account                                        | 17    | 23,635,659        | 16,618,113        |
| <b>Total equity</b>                                            |       | <u>23,735,659</u> | <u>16,718,113</u> |

D Pierce  
Director

Approved by the board on 10 November 2017

**J&D Pierce (Contracts) Limited**  
**Statement of Changes in Equity**  
**for the year ended 31 July 2017**

|                               | Share<br>capital | Share<br>premium | Other<br>reserves | Profit<br>and loss<br>account | Total             |
|-------------------------------|------------------|------------------|-------------------|-------------------------------|-------------------|
|                               | £                | £                | £                 | £                             | £                 |
| <b>At 1 August 2015</b>       | 100,000          | -                | -                 | 13,563,752                    | 13,663,752        |
| Profit for the financial year |                  |                  |                   | 3,705,361                     | 3,705,361         |
| Dividends                     |                  |                  |                   | (651,000)                     | (651,000)         |
| <b>At 31 July 2016</b>        | <u>100,000</u>   | <u>-</u>         | <u>-</u>          | <u>16,618,113</u>             | <u>16,718,113</u> |
| <br><b>At 1 August 2016</b>   | <br>100,000      | <br>-            | <br>-             | <br>16,618,113                | <br>16,718,113    |
| Profit for the financial year |                  |                  |                   | 7,860,879                     | 7,860,879         |
| Dividends                     |                  |                  |                   | (843,333)                     | (843,333)         |
| <b>At 31 July 2017</b>        | <u>100,000</u>   | <u>-</u>         | <u>-</u>          | <u>23,635,659</u>             | <u>23,735,659</u> |

**J&D Pierce (Contracts) Limited**  
**Statement of Cash Flows**  
**for the year ended 31 July 2017**

|                                                  | Notes | 2017<br>£          | 2016<br>£          |
|--------------------------------------------------|-------|--------------------|--------------------|
| <b>Operating activities</b>                      |       |                    |                    |
| Profit for the financial year                    |       | 7,860,879          | 3,705,361          |
| Adjustments for:                                 |       |                    |                    |
| Profit on sale of fixed assets                   |       | (3,920)            | -                  |
| Interest receivable                              |       | (5,476)            | (19,616)           |
| Interest payable                                 |       | 121,447            | 88,860             |
| Tax on profit on ordinary activities             |       | 1,926,596          | 958,917            |
| Depreciation                                     |       | 927,441            | 794,735            |
| Amortisation of goodwill                         |       | 6,376              | 266                |
| Decrease/(increase) in stocks                    |       | 25,000             | (14,500)           |
| (Increase)/decrease in debtors                   |       | (6,305,845)        | 3,332,761          |
| Increase/(decrease) in creditors                 |       | 4,955,374          | (3,050,628)        |
|                                                  |       | <u>9,507,872</u>   | <u>5,796,156</u>   |
| Interest received                                |       | 5,476              | 19,616             |
| Interest paid                                    |       | (71,092)           | (50,372)           |
| Interest element of finance lease payments       |       | (50,355)           | (38,488)           |
| Corporation tax paid                             |       | (1,438,718)        | (1,705,818)        |
| Cash generated by operating activities           |       | <u>7,953,183</u>   | <u>4,021,094</u>   |
| <b>Investing activities</b>                      |       |                    |                    |
| Payments to acquire intangible fixed assets      |       | (31,875)           | (31,875)           |
| Payments to acquire tangible fixed assets        |       | (2,184,365)        | (5,579,015)        |
| Proceeds from sale of tangible fixed assets      |       | 66,795             | 192,159            |
| Cash used in investing activities                |       | <u>(2,149,445)</u> | <u>(5,418,731)</u> |
| <b>Financing activities</b>                      |       |                    |                    |
| Equity dividends paid                            |       | (843,333)          | (651,000)          |
| Repayment of loans                               |       | (187,160)          | (178,583)          |
| Capital element of finance lease payments        |       | (379,534)          | 844,005            |
| Cash (used in)/generated by financing activities |       | <u>(1,410,027)</u> | <u>14,422</u>      |
| <b>Net cash generated/(used)</b>                 |       |                    |                    |
| Cash generated by operating activities           |       | 7,953,183          | 4,021,094          |
| Cash used in investing activities                |       | (2,149,445)        | (5,418,731)        |
| Cash (used in)/generated by financing activities |       | (1,410,027)        | 14,422             |
| Net cash generated/(used)                        |       | <u>4,393,711</u>   | <u>(1,383,215)</u> |
| Cash and cash equivalents at 1 August            |       | <u>6,261,114</u>   | <u>7,644,329</u>   |
| Cash and cash equivalents at 31 July             |       | <u>10,654,825</u>  | <u>6,261,114</u>   |
| Cash and cash equivalents comprise:              |       |                    |                    |
| Cash at bank                                     |       | 11,121,254         | 6,463,546          |
| Bank overdrafts                                  | 12    | (466,429)          | (202,432)          |
|                                                  |       | <u>10,654,825</u>  | <u>6,261,114</u>   |

**J&D Pierce (Contracts) Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2017**

**1 Summary of significant accounting policies**

***Basis of preparation***

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

***Turnover***

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

***Intangible fixed assets***

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

***Tangible fixed assets***

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. 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       |
| Leasehold land and buildings            | over the lease term |
| Plant and machinery                     | over 5 years        |
| Fixtures, fittings, tools and equipment | over 5 years        |

***Stocks***

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

***Debtors***

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

***Creditors***

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

**J&D Pierce (Contracts) Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2017**

***Taxation***

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

***Provisions***

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

***Foreign currency translation***

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

***Leased assets***

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

***Pensions***

Contributions to defined contribution plans are expensed in the period to which they relate.

**J&D Pierce (Contracts) Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2017**

**2 Analysis of turnover**

All turnover was generated within the UK market.

|                                                                          |                  |                  |
|--------------------------------------------------------------------------|------------------|------------------|
| <b>3 Operating profit</b>                                                | <b>2017</b>      | <b>2016</b>      |
|                                                                          | <b>£</b>         | <b>£</b>         |
| This is stated after charging:                                           |                  |                  |
| Depreciation of owned fixed assets                                       | 927,441          | 794,735          |
| Amortisation of goodwill                                                 | 6,376            | 266              |
| Auditors' remuneration for audit services                                | <u>5,610</u>     | <u>6,115</u>     |
|                                                                          |                  |                  |
| <b>4 Directors' emoluments</b>                                           | <b>2017</b>      | <b>2016</b>      |
|                                                                          | <b>£</b>         | <b>£</b>         |
| Emoluments                                                               | <u>22,551</u>    | <u>22,551</u>    |
|                                                                          |                  |                  |
| <b>5 Staff costs</b>                                                     | <b>2017</b>      | <b>2016</b>      |
|                                                                          | <b>£</b>         | <b>£</b>         |
| Wages and salaries                                                       | 2,242,094        | 1,975,872        |
| Social security costs                                                    | 255,847          | 223,398          |
| Other pension costs                                                      | <u>119,671</u>   | <u>111,023</u>   |
|                                                                          | <u>2,617,612</u> | <u>2,310,293</u> |
|                                                                          |                  |                  |
| <b>6 Interest payable</b>                                                | <b>2017</b>      | <b>2016</b>      |
|                                                                          | <b>£</b>         | <b>£</b>         |
| Bank loans and overdrafts                                                | 41,483           | 49,954           |
| Other loans                                                              | 29,609           | 418              |
| Finance charges payable under finance leases and hire purchase contracts | <u>50,355</u>    | <u>38,488</u>    |
|                                                                          | <u>121,447</u>   | <u>88,860</u>    |

**J&D Pierce (Contracts) Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2017**

| <b>7 Taxation</b>                              | <b>2017</b> | <b>2016</b> |
|------------------------------------------------|-------------|-------------|
|                                                | <b>£</b>    | <b>£</b>    |
| <b>Analysis of charge in period</b>            |             |             |
| Current tax:                                   |             |             |
| UK corporation tax on profits of the period    | 1,892,123   | 859,714     |
| Deferred tax:                                  |             |             |
| Origination and reversal of timing differences | 34,473      | 99,203      |
|                                                | <hr/>       | <hr/>       |
| Tax on profit on ordinary activities           | 1,926,596   | 958,917     |

**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:

|                                                                                  | <b>2017</b>      | <b>2016</b>      |
|----------------------------------------------------------------------------------|------------------|------------------|
|                                                                                  | <b>£</b>         | <b>£</b>         |
| Profit on ordinary activities before tax                                         | <u>9,787,475</u> | <u>4,664,278</u> |
| Standard rate of corporation tax in the UK                                       | 19%              | 20%              |
|                                                                                  | <b>£</b>         | <b>£</b>         |
| Profit on ordinary activities multiplied by the standard rate of corporation tax | 1,859,620        | 932,856          |
| Effects of:                                                                      |                  |                  |
| Expenses not deductible for tax purposes                                         | 32,503           | (73,142)         |
|                                                                                  | <hr/>            | <hr/>            |
| Current tax charge for period                                                    | 1,892,123        | 859,714          |

**J&D Pierce (Contracts) Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2017**

|                                  |               |
|----------------------------------|---------------|
| <b>8 Intangible fixed assets</b> | <b>£</b>      |
| Goodwill:                        |               |
| <b>Cost</b>                      |               |
| At 1 August 2016                 | 31,875        |
| Additions                        | <u>31,875</u> |
| At 31 July 2017                  | <u>63,750</u> |
| <b>Amortisation</b>              |               |
| At 1 August 2016                 | 266           |
| Provided during the year         | <u>6,376</u>  |
| At 31 July 2017                  | <u>6,642</u>  |
| <b>Carrying amount</b>           |               |
| At 31 July 2017                  | <u>57,108</u> |
| At 31 July 2016                  | <u>31,609</u> |

Goodwill is being written off in equal annual instalments over its estimated economic life of 10 years.

**9 Tangible fixed assets**

|                          | <b>Land and<br/>buildings<br/>At cost<br/>£</b> | <b>Plant and<br/>machinery<br/>At cost<br/>£</b> | <b>Fixtures,<br/>fittings,<br/>tools and<br/>equipment<br/>At cost<br/>£</b> | <b>Total<br/>£</b> |
|--------------------------|-------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------------|--------------------|
| <b>Cost or valuation</b> |                                                 |                                                  |                                                                              |                    |
| At 1 August 2016         | 6,540,797                                       | 9,697,787                                        | 399,581                                                                      | 16,638,165         |
| Additions                | 645,343                                         | 1,462,873                                        | 76,149                                                                       | 2,184,365          |
| Disposals                | -                                               | (188,916)                                        | -                                                                            | (188,916)          |
| At 31 July 2017          | <u>7,186,140</u>                                | <u>10,971,744</u>                                | <u>475,730</u>                                                               | <u>18,633,614</u>  |
| <b>Depreciation</b>      |                                                 |                                                  |                                                                              |                    |
| At 1 August 2016         | 415,443                                         | 3,201,240                                        | 248,789                                                                      | 3,865,472          |
| Charge for the year      | 80,346                                          | 809,577                                          | 37,518                                                                       | 927,441            |
| On disposals             | -                                               | (126,041)                                        | -                                                                            | (126,041)          |
| At 31 July 2017          | <u>495,789</u>                                  | <u>3,884,776</u>                                 | <u>286,307</u>                                                               | <u>4,666,872</u>   |
| <b>Carrying amount</b>   |                                                 |                                                  |                                                                              |                    |
| At 31 July 2017          | <u>6,690,351</u>                                | <u>7,086,968</u>                                 | <u>189,423</u>                                                               | <u>13,966,742</u>  |
| At 31 July 2016          | <u>6,125,354</u>                                | <u>6,496,547</u>                                 | <u>150,792</u>                                                               | <u>12,772,693</u>  |

|                                                                                                            | <b>2017<br/>£</b> | <b>2016<br/>£</b> |
|------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Carrying value of plant and machinery included above held under finance leases and hire purchase contracts | <u>1,162,816</u>  | <u>767,046</u>    |

**J&D Pierce (Contracts) Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2017**

| <b>10 Stocks</b>              | <b>2017</b>   | <b>2016</b>   |
|-------------------------------|---------------|---------------|
|                               | <b>£</b>      | <b>£</b>      |
| Raw materials and consumables | <u>50,000</u> | <u>75,000</u> |

| <b>11 Debtors</b>              | <b>2017</b>       | <b>2016</b>      |
|--------------------------------|-------------------|------------------|
|                                | <b>£</b>          | <b>£</b>         |
| Trade debtors                  | 557,241           | 46,494           |
| Other debtors                  | 222               | -                |
| Prepayments and accrued income | 260,866           | 119,476          |
| Construction contract debtors  | <u>13,019,143</u> | <u>7,365,657</u> |
|                                | <u>13,837,472</u> | <u>7,531,627</u> |

| <b>12 Creditors: amounts falling due within one year</b>    | <b>2017</b>       | <b>2016</b>      |
|-------------------------------------------------------------|-------------------|------------------|
|                                                             | <b>£</b>          | <b>£</b>         |
| Bank overdrafts                                             | 466,429           | 202,432          |
| Bank loans                                                  | 228,361           | 228,361          |
| Obligations under finance lease and hire purchase contracts | 361,123           | 422,226          |
| Trade creditors                                             | 8,287,901         | 4,910,387        |
| Corporation tax                                             | 1,313,119         | 859,714          |
| Other taxes and social security costs                       | 1,606,321         | 93,551           |
| Other creditors                                             | 141,954           | 120,398          |
| Accruals and deferred income                                | <u>227,910</u>    | <u>184,376</u>   |
|                                                             | <u>12,633,118</u> | <u>7,021,445</u> |

| <b>13 Creditors: amounts falling due after one year</b>     | <b>2017</b>      | <b>2016</b>      |
|-------------------------------------------------------------|------------------|------------------|
|                                                             | <b>£</b>         | <b>£</b>         |
| Bank loans                                                  | 1,313,963        | 1,501,123        |
| Obligations under finance lease and hire purchase contracts | <u>801,694</u>   | <u>1,120,125</u> |
|                                                             | <u>2,115,657</u> | <u>2,621,248</u> |

The bank loans are secured on the assets of the company.

| <b>14 Obligations under finance leases and hire purchase contracts</b> | <b>2017</b>      | <b>2016</b>      |
|------------------------------------------------------------------------|------------------|------------------|
|                                                                        | <b>£</b>         | <b>£</b>         |
| Amounts payable:                                                       |                  |                  |
| Within one year                                                        | 361,123          | 422,226          |
| Within two to five years                                               | <u>801,694</u>   | <u>1,120,125</u> |
|                                                                        | <u>1,162,817</u> | <u>1,542,351</u> |

**J&D Pierce (Contracts) Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2017**

| <b>15 Deferred taxation</b>    | <b>2017<br/>£</b> | <b>2016<br/>£</b> |
|--------------------------------|-------------------|-------------------|
| Accelerated capital allowances | <u>548,142</u>    | <u>513,669</u>    |

|                                        | <b>2017<br/>£</b> | <b>2016<br/>£</b> |
|----------------------------------------|-------------------|-------------------|
| At 1 August                            | 513,669           | 414,466           |
| Charged to the profit and loss account | 34,473            | 99,203            |
| At 31 July                             | <u>548,142</u>    | <u>513,669</u>    |

| <b>16 Share capital</b>                                | <b>Nominal<br/>value</b> | <b>2017<br/>Number</b> | <b>2017<br/>£</b> | <b>2016<br/>£</b> |
|--------------------------------------------------------|--------------------------|------------------------|-------------------|-------------------|
| Allotted, called up and fully paid:<br>Ordinary shares | £1 each                  | -                      | <u>100,000</u>    | <u>100,000</u>    |

| <b>17 Profit and loss account</b> | <b>2017<br/>£</b> | <b>2016<br/>£</b> |
|-----------------------------------|-------------------|-------------------|
| At 1 August                       | 16,618,113        | 13,563,752        |
| Profit for the financial year     | 7,860,879         | 3,705,361         |
| Dividends                         | (843,333)         | (651,000)         |
| At 31 July                        | <u>23,635,659</u> | <u>16,618,113</u> |

| <b>18 Dividends</b>                    | <b>2017<br/>£</b> | <b>2016<br/>£</b> |
|----------------------------------------|-------------------|-------------------|
| Dividends on ordinary shares (note 17) | <u>843,333</u>    | <u>651,000</u>    |

**19 Presentation currency**

The financial statements are presented in Sterling.

**20 Legal form of entity and country of incorporation**

J&D Pierce (Contracts) Limited is a private company limited by shares and incorporated in Scotland.

The ultimate controlling parties are the directors who own 100% of the issued share capital.

**J&D Pierce (Contracts) Limited**  
**Notes to the Accounts**  
**for the year ended 31 July 2017**

**21 Principal place of business**

The address of the company's principal place of business and registered office is:

Unit 14 Caledonian Road  
 Glengarnock  
 Ayrshire  
 KA14 3DA

**22 Reconciliations on adoption of FRS 102**

|                                                        |                   |
|--------------------------------------------------------|-------------------|
| <b>Profit and loss for the year ended 31 July 2016</b> | <b>£</b>          |
| Profit under former UK GAAP                            | 3,705,361         |
| Profit under FRS 102                                   | <u>3,705,361</u>  |
| <b>Balance sheet at 31 July 2016</b>                   | <b>£</b>          |
| Equity under former UK GAAP                            | 16,718,113        |
| Equity under FRS 102                                   | <u>16,718,113</u> |
| <b>Balance sheet at 1 August 2015</b>                  | <b>£</b>          |
| Equity under former UK GAAP                            | -                 |
| Equity under FRS 102                                   | <u>-</u>          |