

D. G. Heuchan Construction Ltd.

Annual Report and Unaudited Financial Statements

for the Year Ended 31 August 2018

Jamieson Campbell Kerr Limited
Chartered Accountants
14 - 15 Main Street
Longniddry
EH32 0NF



D. G. Heuchan Construction Ltd.

Contents

Balance Sheet	1
Notes to the Financial Statements	2 to 6

D. G. Heuchan Construction Ltd.

(Registration number: SC188621)
Balance Sheet as at 31 August 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	725,878	696,818
Current assets			
Debtors	5	464,304	296,669
Cash at bank and in hand		<u>1,062,104</u>	<u>1,153,847</u>
		1,526,408	1,450,516
Creditors: Amounts falling due within one year	6	<u>(157,413)</u>	<u>(132,235)</u>
Net current assets		<u>1,368,995</u>	<u>1,318,281</u>
Total assets less current liabilities		2,094,873	2,015,099
Creditors: Amounts falling due after more than one year	6	(39,529)	(16,250)
Provisions for liabilities		<u>(137,917)</u>	<u>(132,395)</u>
Net assets		<u><u>1,917,427</u></u>	<u><u>1,866,454</u></u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		<u>1,917,425</u>	<u>1,866,452</u>
Total equity		<u><u>1,917,427</u></u>	<u><u>1,866,454</u></u>

For the financial year ending 31 August 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 6/5/19 and signed on its behalf by:



Mr D G Heuchan
Director

D. G. Heuchan Construction Ltd.

Notes to the Financial Statements for the Year Ended 31 August 2018

1 General information

The company is a private company limited by share capital, incorporated in Scotland.

The address of its registered office is:

14-15 Main Street

Longniddry

East Lothian

EH32 ONF

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

D. G. Heuchan Construction Ltd.

Notes to the Financial Statements for the Year Ended 31 August 2018

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	15% reducing balance
Motor vehicles	15% reducing balance
Office equipment	15% reducing balance

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

D. G. Heuchan Construction Ltd.

Notes to the Financial Statements for the Year Ended 31 August 2018

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 12 (2017 - 11).

4 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Other tangible assets £	Total £
Cost or valuation				
At 1 September 2017	2,124	243,401	2,159,529	2,405,054
Additions	690	23,634	304,189	328,513
Disposals	-	(21,541)	(280,300)	(301,841)
At 31 August 2018	<u>2,814</u>	<u>245,494</u>	<u>2,183,418</u>	<u>2,431,726</u>
Depreciation				
At 1 September 2017	1,992	180,254	1,525,990	1,708,236
Charge for the year	123	11,240	116,733	128,096
Eliminated on disposal	-	(9,693)	(120,791)	(130,484)
At 31 August 2018	<u>2,115</u>	<u>181,801</u>	<u>1,521,932</u>	<u>1,705,848</u>
Carrying amount				
At 31 August 2018	<u>699</u>	<u>63,693</u>	<u>661,486</u>	<u>725,878</u>
At 31 August 2017	<u>132</u>	<u>63,147</u>	<u>633,539</u>	<u>696,818</u>

D. G. Heuchan Construction Ltd.

Notes to the Financial Statements for the Year Ended 31 August 2018

5 Debtors

	Note	2018 £	2017 £
Trade debtors		430,261	270,792
Amounts owed by group undertakings and undertakings in which the company has a participating interest	8	34,043	24,877
Other debtors		-	1,000
		<u>464,304</u>	<u>296,669</u>

6 Creditors

Creditors: amounts falling due within one year

	Note	2018 £	2017 £
Due within one year			
Bank loans and overdrafts	7	68,300	42,193
Trade creditors		24,000	36,122
Directors loan	8	24,465	66
Taxation and social security		16,462	14,587
Other creditors		24,186	39,267
		<u>157,413</u>	<u>132,235</u>

Due after one year

Loans and borrowings	7	<u>39,529</u>	<u>16,250</u>
----------------------	---	---------------	---------------

Creditors: amounts falling due after more than one year

	Note	2018 £	2017 £
Due after one year			
Loans and borrowings	7	<u>39,529</u>	<u>16,250</u>

7 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Finance lease liabilities	<u>39,529</u>	<u>16,250</u>

	2018 £	2017 £
Current loans and borrowings		
Finance lease liabilities	<u>68,300</u>	<u>42,193</u>

D. G. Heuchan Construction Ltd.

Notes to the Financial Statements for the Year Ended 31 August 2018

8 Related party transactions

Included in debtors is an amount of £34,043 (2017 - £24,877) due from Rail Road Rentals Limited. Mr and Mrs D G Heuchan are the majority shareholders in both companies.