

REGISTERED NUMBER: SC192621 (Scotland)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017
FOR
CALEDONIAN LOGISTICS LIMITED**

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FOR THE YEAR ENDED 30 APRIL 2017**

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CALEDONIAN LOGISTICS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2017**

DIRECTORS:	D Mitchell N Keddie
SECRETARY:	Aberdein Considine & Co
REGISTERED OFFICE:	7 - 9 Bon Accord Crescent ABERDEEN AB11 6DN
REGISTERED NUMBER:	SC192621 (Scotland)
AUDITORS:	Bain Henry Reid Statutory Auditors Chartered Accountants 4 West Craibstone Street Bon Accord Square ABERDEEN AB11 6YL
BANKERS:	HSBC 2 Queens Road Aberdeen Grampian AB15 4ZT

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2017**

The directors present their strategic report for the year ended 30 April 2017.

REVIEW OF BUSINESS

The principal activities of the company are road haulage and the provision of storage facilities.

We have come through a very challenging year following the continued downturn in the oil & gas sector in the North East of Scotland although we have strived to gain business throughout the year. Growth has been minimal in the transport sector however the storage sector has seen an increase in income of almost 10% due to the greater utilisation of the warehousing buildings at our Oldmeldrum storage complex.

We have tried to streamline costs where possible and are very conscious of our trading position in the marketplace. We continue to review our fuel pricing strategy and monitor our cost base which we are happy is in line with our budgets.

PRINCIPAL RISKS AND UNCERTAINTIES

Business in any field of operation is a risk and we would like to think that we are aware of the risk factors in our business and where possible that we taken steps to mitigate these risks.

FINANCIAL KEY INDICATORS

We continue to closely monitor the ongoing performance and cash position of the business using the financial information available within the company. We endeavour to minimise the impact of financial risks facing the company with the diversification of the business activities ranging from storage of goods to full load movements helping to mitigate against these risks.

FINANCIAL RISK MANAGEMENT

The company's financial instruments comprise cash at bank, overdraft, and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to fund the company's operations as well as to manage its working capital and liquidity.

Credit risk

We carry out credit risk checks on our client base and more so with larger clients. New clients are checked on our system and given an appropriate rating.

Liquidity risk

The company actively maintains a mixture of long-term and short-term debt finance designed to ensure that it has sufficient funds available for current and future operations. The company results are monitored on a month to month basis, with a view to maintaining a strong balance sheet.

ENVIRONMENT

The company is committed to maintaining its high standards for ensuring safe business practice and minimising the environmental impact of its activities where possible.

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2017**

FUTURE OUTLOOK

We remain cautious about future trading prospects given the current oil and gas climate however we hope that improved customer service will capture new clients and increase sales activity.

In the transport sector our Cumbernauld depot in Central Scotland is continuing to be an asset and is very much the functional hub of our night operation. We have the services of a sales consultant there to assist in growing our sales activity. We have developed the site with two shared users to boost our existing clients and to improve the returns from the facility.

In the storage sector we hope to expand the use of the external areas of our Oldmeldrum site to maintain the growth in income.

We continue to review the performance of the company with a view to minimising operating costs and to ensure the company's return to profitability in line with current forecasts. Subsequent changes in our banking arrangements should also lead to additional cost savings and improved operations.

ON BEHALF OF THE BOARD:

D Mitchell - Director

17 October 2017

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2017**

The directors present their report with the financial statements of the company for the year ended 30 April 2017.

DIVIDENDS

The total distribution of dividends for the year ended 30 April 2017 will be £ 7,000 .

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2016 to the date of this report.

D Mitchell
N Keddle

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 period. In preparing these 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director 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 auditors are aware of that information.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2017**

AUDITORS

The auditors, Bain Henry Reid, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

D Mitchell - Director

17 October 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CALEDONIAN LOGISTICS LIMITED

We have audited the financial statements of Caledonian Logistics Limited for the year ended 30 April 2017 on pages eight to twenty six. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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 set out on page four, 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 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 the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 30 April 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CALEDONIAN LOGISTICS LIMITED

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.

Alan W Marr (Senior Statutory Auditor)
for and on behalf of Bain Henry Reid
Statutory Auditors
Chartered Accountants
4 West Craibstone Street
Bon Accord Square
ABERDEEN
AB11 6YL

17 October 2017

**INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2017**

	Notes	2017 £	2016 £
TURNOVER	3	12,602,514	12,444,408
Cost of sales		<u>10,047,146</u>	<u>9,907,090</u>
GROSS PROFIT		2,555,368	2,537,318
Administrative expenses		<u>2,901,320</u> (345,952)	<u>2,869,307</u> (331,989)
Other operating income		<u>169,740</u>	<u>90,894</u>
OPERATING LOSS	5	(176,212)	(241,095)
Interest receivable and similar income		<u>-</u> (176,212)	<u>155</u> (240,940)
Interest payable and similar expenses	6	<u>72,663</u> (248,875)	<u>90,793</u> (331,733)
LOSS BEFORE TAXATION			
Tax on loss	7	<u>(49,663)</u>	<u>(58,241)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(199,212)</u>	<u>(273,492)</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2017**

	Notes	2017 £	2016 £
LOSS FOR THE YEAR		(199,212)	(273,492)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(199,212)</u>	<u>(273,492)</u>

CALEDONIAN LOGISTICS LIMITED (REGISTERED NUMBER: SC192621)

BALANCE SHEET
30 APRIL 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Tangible assets	9		2,603,841		2,558,415
CURRENT ASSETS					
Debtors	10	2,869,118		2,785,562	
Cash at bank and in hand		<u>10</u>		<u>2,718</u>	
		2,869,128		2,788,280	
CREDITORS					
Amounts falling due within one year	11	<u>3,390,148</u>		<u>2,976,544</u>	
NET CURRENT LIABILITIES			<u>(521,020)</u>		<u>(188,264)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,082,821		2,370,151
CREDITORS					
Amounts falling due after more than one year	12		(861,778)		(893,232)
PROVISIONS FOR LIABILITIES	16		<u>(113,449)</u>		<u>(163,113)</u>
NET ASSETS			<u>1,107,594</u>		<u>1,313,806</u>
CAPITAL AND RESERVES					
Called up share capital	17		19,286		19,286
Capital redemption reserve	18		34,286		34,286
Retained earnings	18		<u>1,054,022</u>		<u>1,260,234</u>
SHAREHOLDERS' FUNDS			<u>1,107,594</u>		<u>1,313,806</u>

The financial statements were approved by the Board of Directors on 17 October 2017 and were signed on its behalf by:

D Mitchell - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2017**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 May 2015	19,286	1,533,726	34,286	1,587,298
Changes in equity				
Total comprehensive income	-	(273,492)	-	(273,492)
Balance at 30 April 2016	19,286	1,260,234	34,286	1,313,806
Changes in equity				
Dividends	-	(7,000)	-	(7,000)
Total comprehensive income	-	(199,212)	-	(199,212)
Balance at 30 April 2017	19,286	1,054,022	34,286	1,107,594

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	411,485	(140,166)
Interest paid		(50,375)	(51,474)
Interest element of hire purchase payments paid		(22,288)	(39,319)
Tax paid		-	20,172
Net cash from operating activities		<u>338,822</u>	<u>(210,787)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(242,801)	(34,461)
Sale of tangible fixed assets		44,704	348,546
Interest received		-	155
Net cash from investing activities		<u>(198,097)</u>	<u>314,240</u>
Cash flows from financing activities			
Loan repayments in year		(61,038)	(57,060)
Capital repayments in year		51,394	(314,398)
Amount introduced by directors		34,100	-
Equity dividends paid		(7,000)	-
Net cash from financing activities		<u>17,456</u>	<u>(371,458)</u>
Increase/(decrease) in cash and cash equivalents		<u>158,181</u>	<u>(268,005)</u>
Cash and cash equivalents at beginning of year	2	(1,696,794)	(1,428,789)
Cash and cash equivalents at end of year	2	<u>(1,538,613)</u>	<u>(1,696,794)</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2017**

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016
	£	£
Loss before taxation	(248,875)	(331,733)
Depreciation charges	163,767	189,790
Profit on disposal of fixed assets	(11,095)	(68,320)
Finance costs	72,663	90,793
Finance income	-	(155)
	(23,540)	(119,625)
(Increase)/decrease in trade and other debtors	(83,556)	266,285
Increase/(decrease) in trade and other creditors	518,581	(286,826)
Cash generated from operations	411,485	(140,166)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 April 2017

	30/4/17	1/5/16
	£	£
Cash and cash equivalents	10	2,718
Bank overdrafts	(1,538,623)	(1,699,512)
	<u>(1,538,613)</u>	<u>(1,696,794)</u>

Year ended 30 April 2016

	30/4/16	1/5/15
	£	£
Cash and cash equivalents	2,718	10,858
Bank overdrafts	(1,699,512)	(1,439,647)
	<u>(1,696,794)</u>	<u>(1,428,789)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017**

1. STATUTORY INFORMATION

Caledonian Logistics Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historic cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in Sterling (£).

Going concern

The directors, having made due and careful enquiry, are of the opinion that the company will be able to maintain positive cash flows over the next 12 months. The directors have therefore made an informed judgement at the time of approving the financial statements that the company is a going concern. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Significant judgements and estimates

Preparation of the financial statements requires the directors to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Estimated useful lives and residual values of tangible fixed assets

The annual depreciation charge for tangible fixed assets has been based on the estimated useful lives and residual values of the assets deemed appropriate by the directors. Estimated useful lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

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 rendering of services.

Rendering of services

The company provides road haulage and storage facility services. When the outcome of a transaction for the rendering of services can be estimated reliably in terms of revenue, cost and its stage of completion, the company recognises revenue on the sale of services in the reporting period in which the services are rendered by reference to the stage of completion of the specific transaction at the end of the reporting period. The stage of completion is determined on the basis of the actual completion of a proportion of the total services to be rendered.

When the outcome of a service contract cannot be estimated reliably the company only recognises revenue to the extent of the recoverable expenses recognised.

Rental income

Rental income from freehold property or from subletting leased premises is recognised on a straight-line basis over the term of the relevant lease. Rental income is included in other operating income.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2017

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their estimated useful life or, if held under a finance lease, over the term of the lease, whichever is the shorter. The rates applicable are:

Freehold property	- 4% on cost
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Office equipment	- 25% on reducing balance

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2017

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Leases are classified as finance leases or hire purchase contracts whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Assets held under finance lease or hire purchase contracts are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease or hire purchase contract obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases or hire purchase contracts are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to the profit or loss on a straight line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the company recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Employee benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Loans to employees or key management (being repayable on demand) are measured at the undiscounted amount of the cash or other consideration expected to be received.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Directors' loans (being repayable on demand) are measured at the undiscounted amount of the cash or other consideration expected to be paid.

The company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next twelve months. The provision is measured at the salary cost payable for the period of absence.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand 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 to changes in value.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2017

2. ACCOUNTING POLICIES - continued

Provisions for liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

3. TURNOVER

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

4. EMPLOYEES AND DIRECTORS

	2017 £	2016 £
Wages and salaries	4,008,453	3,981,375
Social security costs	360,302	360,490
Other pension costs	49,589	42,886
	<u>4,418,344</u>	<u>4,384,751</u>

The average monthly number of employees during the year was as follows:

	2017	2016
Direct	99	101
Administration & management	30	31
	<u>129</u>	<u>132</u>

Key management are considered to be the directors of the company. The compensation paid or payable to directors is shown below.

	2017 £	2016 £
Directors' remuneration	164,423	171,145
Directors' pension contributions to money purchase schemes	<u>18,637</u>	<u>13,215</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2017	2016
Money purchase schemes	<u>2</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2017

5. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2017	2016
	£	£
Operating leases	2,068,986	2,006,361
Depreciation - owned assets	42,070	41,958
Depreciation - assets on hire purchase contracts	121,695	147,835
Profit on disposal of fixed assets	(11,095)	(68,320)
Auditors remuneration	15,000	10,250
Auditors' remuneration for non audit work	6,600	5,950

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank interest	13,014	8,422
Bank loan interest	19,975	25,941
Invoice discounting interest	17,295	17,111
Interest on PAYE	91	-
Hire purchase interest	22,288	39,319
	<u>72,663</u>	<u>90,793</u>

7. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2017	2016
	£	£
Deferred taxation	(49,663)	(58,241)
Tax on loss	<u>(49,663)</u>	<u>(58,241)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2017

7. TAXATION - continued

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2017 £	2016 £
Loss before tax	<u>(248,875)</u>	<u>(331,733)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	(49,775)	(66,347)
Effects of:		
Expenses not deductible for tax purposes	194	7,928
Other tax adjustments	(82)	178
Total tax credit	<u>(49,663)</u>	<u>(58,241)</u>

8. DIVIDENDS

	2017 £	2016 £
Interim	<u>7,000</u>	<u>-</u>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 May 2016	2,231,832	27,888	170,417
Additions	-	360	4,643
At 30 April 2017	<u>2,231,832</u>	<u>28,248</u>	<u>175,060</u>
DEPRECIATION			
At 1 May 2016	147,807	18,769	89,204
Charge for year	-	2,348	21,139
Eliminated on disposal	-	-	-
Reclassification/transfer	-	-	-
At 30 April 2017	<u>147,807</u>	<u>21,117</u>	<u>110,343</u>
NET BOOK VALUE			
At 30 April 2017	<u>2,084,025</u>	<u>7,131</u>	<u>64,717</u>
At 30 April 2016	<u>2,084,025</u>	<u>9,119</u>	<u>81,213</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2017

9. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Office equipment £	Totals £
COST			
At 1 May 2016	931,531	120,322	3,481,990
Additions	226,915	10,882	242,800
Disposals	(101,773)	(1,065)	(102,838)
Reclassification/transfer	(600)	-	(600)
At 30 April 2017	<u>1,056,073</u>	<u>130,139</u>	<u>3,621,352</u>
DEPRECIATION			
At 1 May 2016	590,450	77,345	923,575
Charge for year	127,874	12,404	163,765
Eliminated on disposal	(69,056)	(173)	(69,229)
Reclassification/transfer	(600)	-	(600)
At 30 April 2017	<u>648,668</u>	<u>89,576</u>	<u>1,017,511</u>
NET BOOK VALUE			
At 30 April 2017	<u>407,405</u>	<u>40,563</u>	<u>2,603,841</u>
At 30 April 2016	<u>341,081</u>	<u>42,977</u>	<u>2,558,415</u>

Depreciation has not been provided for on freehold heritable property this year on the basis that residual value is considered to be in excess of net book value.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2017

9. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
COST				
At 1 May 2016	55,840	499,579	15,581	571,000
Additions	-	226,915	-	226,915
Disposals	-	(25,750)	-	(25,750)
Transfer to ownership	-	(56,550)	-	(56,550)
At 30 April 2017	<u>55,840</u>	<u>644,194</u>	<u>15,581</u>	<u>715,615</u>
DEPRECIATION				
At 1 May 2016	22,685	247,724	5,357	275,766
Charge for year	8,289	110,850	2,556	121,695
Eliminated on disposal	-	(12,473)	-	(12,473)
Transfer to ownership	-	(38,271)	-	(38,271)
Reclassification/transfer	-	(2,000)	-	(2,000)
At 30 April 2017	<u>30,974</u>	<u>305,830</u>	<u>7,913</u>	<u>344,717</u>
NET BOOK VALUE				
At 30 April 2017	<u>24,866</u>	<u>338,364</u>	<u>7,668</u>	<u>370,898</u>
At 30 April 2016	<u>33,155</u>	<u>251,855</u>	<u>10,224</u>	<u>295,234</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	2,607,517	2,532,906
Other debtors	9,364	7,484
Directors' loan accounts	132,598	132,598
Taxation	33,150	33,150
Prepayments and accrued income	86,489	79,424
	<u>2,869,118</u>	<u>2,785,562</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2017

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts (see note 13)	1,598,623	1,749,512
Hire purchase contracts (see note 14)	118,346	106,535
Trade creditors	951,884	622,163
Social security and other taxes	170,832	83,122
VAT	336,980	227,061
Other creditors	4,866	5,443
Directors' loan accounts	34,100	-
Accruals	174,517	182,708
	<u>3,390,148</u>	<u>2,976,544</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Bank loans (see note 13)	687,582	758,620
Hire purchase contracts (see note 14)	174,196	134,612
	<u>861,778</u>	<u>893,232</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	1,538,623	1,699,512
Bank loans - less than 1 yr	<u>60,000</u>	<u>50,000</u>
	<u>1,598,623</u>	<u>1,749,512</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>60,000</u>	<u>50,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>180,000</u>	<u>150,000</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>447,582</u>	<u>558,620</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2017

13. **LOANS - continued**

The loan is repayable monthly over 15 years, interest is charged at 3% per annum over the bank's sterling base rate.

14. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	118,346	106,535
Between one and five years	174,196	134,612
	<u>292,542</u>	<u>241,147</u>
	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	1,853,899	1,836,159
Between one and five years	3,425,645	4,459,100
In more than five years	1,466,858	1,466,858
	<u>6,746,402</u>	<u>7,762,117</u>

Certain operating leases have policies where charges are levied when mileage limits are exceeded. Any potential charge is not expected to be material.

Operating lease commitments - Income

Minimum income from operating leases is receivable as follows:

	Non-cancellable operating leases	
	2017	2016
£	£	
Within one year	108,233	84,758
Between one and five years	112,845	172,586
In more than five years	-	-
	<u>221,078</u>	<u>257,344</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2017

15. SECURED DEBTS

The following secured debts are included within creditors:

	2017	2016
	£	£
Bank overdrafts	1,538,623	1,699,512
Bank loans	747,582	808,620
Hire purchase contracts	292,542	241,147
	<u>2,578,747</u>	<u>2,749,279</u>

The bank loan and overdrafts are secured by a first legal charge over the property at Caledonian House, Midmill Industrial Estate, Kintore and a floating charge over the remaining assets of the company.

Net obligations under hire purchase contracts are secured on the assets acquired.

16. PROVISIONS FOR LIABILITIES

	2017	2016
	£	£
Deferred tax		
Accelerated capital allowances	103,067	93,549
Tax losses carried forward	(118,676)	(59,494)
Other timing differences	129,058	129,058
	<u>113,449</u>	<u>163,113</u>
		Deferred tax
		£
Balance at 1 May 2016		163,113
Credit to Income Statement during year		(49,664)
Balance at 30 April 2017		<u>113,449</u>

The amount of the net reversal of deferred tax expected to occur next year is £25,829 (2016: £37,719), relating to the reversal of existing timing differences on tangible fixed assets.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2017	2016
Number:	Class:	Nominal value:	£	£
19,286	Ordinary	£1	<u>19,286</u>	<u>19,286</u>

Each share is entitled to one vote in any circumstances and each share is also entitled pari passu to dividend payments or any other distributions, including a distribution arising from a winding up of the company.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2017

18. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 May 2016	1,260,234	34,286	1,294,520
Deficit for the year	(199,212)		(199,212)
Dividends	(7,000)		(7,000)
At 30 April 2017	<u>1,054,022</u>	<u>34,286</u>	<u>1,088,308</u>

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Retained earnings

This reserve records all current and prior period retained profit and loss.

19. PENSION COMMITMENTS

The company operates a defined contribution scheme. £4,866 was outstanding at the year end (2016: £5,434).

20. CAPITAL COMMITMENTS

	2017 £	2016 £
Contracted but not provided for in the financial statements	<u>2,700</u>	<u>210,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2017

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

Details of directors loan account transactions and the year end balance are as follows:

	2017	2016
£		
Mr D Mitchell:		
Amount due to/(from) the director at start of year	(132,598)	(132,598)
Paid to director during the year	-	-
Received from director during year	-	-
Amount due to/(from) the director at end of year	<u>(132,598)</u>	<u>(132,598)</u>

	2017	2016
£		
Mr N Keddle:		
Amount due to/(from) the director at start of year	-	-
Paid to director during the year	-	-
Received from director during year	34,100	-
Amount due to/(from) director at end of year	<u>34,100</u>	<u>-</u>

The loans are unsecured, interest free and repayable on demand.

22. POST BALANCE SHEET EVENTS

The financial statements were authorised for issue on 17 October 2017 by the board of directors.

23. ULTIMATE CONTROLLING PARTY

The company is controlled by Mr D Mitchell, a director of the company, by virtue of his 100% interest in the ordinary share capital.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.