

JOSS (ABERDEEN) LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017**

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JOSS (ABERDEEN) LIMITED

COMPANY INFORMATION

Directors	Mr I A Leith Ms S J Leith
Secretary	Ms S J Leith
Company number	SC017806
Registered office	Rigifa Cove Aberdeen AB12 3LR
Auditor	RSM UK Audit LLP Chartered Accountants 52-54 Queen's Road Aberdeen AB15 4YE

JOSS (ABERDEEN) LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that 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.

JOSS (ABERDEEN) LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3	2,453,108		2,275,916	
Current assets					
Stocks		348,267		122,106	
Debtors	4	4,113,643		4,186,520	
Cash at bank and in hand		987,014		724,601	
		<u>5,448,924</u>		<u>5,033,227</u>	
Creditors: amounts falling due within one year	5	<u>(1,045,446)</u>		<u>(826,931)</u>	
Net current assets		<u>4,403,478</u>		<u>4,206,296</u>	
Total assets less current liabilities		<u>6,856,586</u>		<u>6,482,212</u>	
Creditors: amounts falling due after more than one year	6	<u>(413,538)</u>		<u>(563,581)</u>	
Net assets		<u>6,443,048</u>		<u>5,918,631</u>	
Capital and reserves					
Called up share capital	8	38,650		38,650	
Other reserves		9,350		9,350	
Profit and loss reserves	9	6,395,048		5,870,631	
Total equity		<u>6,433,048</u>		<u>5,918,631</u>	

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 27/9/18 and are signed on its behalf by:



Mr I A Leith
Director

JOSS (ABERDEEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Joss (Aberdeen) Limited is a private company limited by shares and incorporated in Scotland. The registered office is Rigifa, Cove, Aberdeen, AB12 3LR.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, and under the historical cost convention.

The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view. The principal accounting policies adopted are set out below.

The directors are satisfied with the results for the year and forecast that the company will continue to trade profitably for the foreseeable future. The directors consider that the company has built up sufficient reserves to cover any future unforeseeable losses. Consequently they continue to adopt the going concern basis.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods and services are recognised when the company fulfils its contractual obligations to customers.

Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Heritable Property	2 - 10% straight line/reducing balance
Plant & Machinery	10 - 20% reducing balance
Fixtures & Fittings	12.5% reducing balance
Motor Vehicles	20 - 33% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Heritable land is only depreciated when mineral and other deposits are extracted, if the extraction will result in a loss in value.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and condition expected at the end of its useful life.

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, an impairment loss is recognised immediately in the profit or loss.

JOSS (ABERDEEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Stocks include extracted raw materials valued at an estimated cost per tonne based on the normal cost of extraction.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

JOSS (ABERDEEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

JOSS (ABERDEEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 21 (2016 - 18).

JOSS (ABERDEEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 January 2017	1,094,886	3,839,168	4,934,054
Additions	-	591,158	591,158
Disposals	-	(386,839)	(386,839)
At 31 December 2017	1,094,886	4,043,487	5,138,373
Depreciation and impairment			
At 1 January 2017	273,894	2,384,244	2,658,138
Depreciation charged in the year	17,875	367,632	385,507
Eliminated in respect of disposals	-	(358,380)	(358,380)
At 31 December 2017	291,769	2,393,496	2,685,265
Carrying amount			
At 31 December 2017	803,117	1,649,991	2,453,108
At 31 December 2016	820,992	1,454,924	2,275,916

The net book value of plant and machinery includes £966,865 (2016 - £1,066,787) in respect of assets held under finance leases.

4 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	183,562	180,248
Amounts owed by group undertakings	3,741,214	3,884,655
Other debtors	187,495	121,617
Corporation tax repayable	1,372	-
	4,113,643	4,186,520

JOSS (ABERDEEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

5 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Obligations under finance leases	7	429,544	323,250
Trade creditors		72,099	52,818
Amounts due to group undertakings		170,020	178,663
Corporation tax		51,077	48,897
Other taxation and social security		123,358	33,202
Other creditors		2,053	552
Accruals and deferred income		197,295	189,549
		<u>1,045,446</u>	<u>826,931</u>

6 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Obligations under finance leases	7	<u>413,538</u>	<u>563,581</u>

7 Finance lease obligations

	2017 £	2016 £
Future minimum lease payments due under finance leases:		
Less than one year	429,544	323,250
Between one and five years	413,538	563,581
	<u>843,082</u>	<u>886,831</u>

The finance lease obligations relate to hire purchase contracts that are secured over the fixed assets to which they relate.

8 Called up share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid 38,650 Ordinary shares of £1 each	<u>38,650</u>	<u>38,650</u>

9 Profit and loss reserves

	2017 £	2016 £
At the beginning of the year	5,870,631	5,307,904
Profit for the year	<u>524,417</u>	<u>562,727</u>
At the end of the year	<u>6,395,048</u>	<u>5,870,631</u>

JOSS (ABERDEEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

10 Financial commitments, guarantees and contingent liabilities

There is a group facility in place between Leiths (Scotland) Limited, Markon Limited, Lawrie (Demolition) Limited, Joss (Aberdeen) Limited, Howie Minerals Limited, Alexander Ross & Sons (Sand and Gravel) Limited and M&M Roadsurfacing Limited. The bank borrowings are secured by a cross guarantee between each of the companies in the group facility and also floating and fixed charges over individual group company assets.

11 Consolidated accounts

The company is a fully-owned subsidiary of Leiths (Scotland) Limited, a company incorporated in Scotland. Leiths (Scotland) Limited is the ultimate parent company and is the largest and smallest group for which consolidated accounts including Joss (Aberdeen) Limited are prepared. The registered office address of Leiths (Scotland) Limited is Rigifa, Cove, Aberdeen, AB12 3LR.

12 Controlling party

The ultimate parent company, Leiths (Scotland) Limited, was under the control of Mr I A Leith throughout the current and previous year. Mr I A Leith is the managing director and majority shareholder of that company.

13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report of the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Cameron Bruce.
The auditor was RSM UK Audit LLP.