

**ALEXANDER ROSS & SONS (SAND AND
GRAVEL) LIMITED**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015**

PAGES FOR FILING WITH REGISTRAR



ALEXANDER ROSS & SONS (SAND AND GRAVEL) LIMITED

COMPANY INFORMATION

Directors	Mr I A Leith Mr P A Leith Mr S J Russell
Secretary	Raeburn Christie Clark & Wallace
Company number	SC040785
Registered office	Rigifa Cove Aberdeen AB12 3LR
Auditors	RSM UK Audit LLP Chartered Accountants 52-54 Queen's Road Aberdeen AB15 4YE

ALEXANDER ROSS & SONS (SAND AND GRAVEL) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

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.

ALEXANDER ROSS & SONS (SAND AND GRAVEL) LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2015**

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	3	3,833,787		3,883,580	
Current assets					
Stocks		333,515		205,898	
Debtors	4	410,405		954,527	
Cash at bank and in hand		9,652		9,109	
		<u>753,572</u>		<u>1,169,534</u>	
Creditors: amounts falling due within one year	5	<u>(2,074,513)</u>		<u>(2,075,248)</u>	
Net current liabilities		(1,320,941)		(905,714)	
Total assets less current liabilities		<u>2,512,846</u>		<u>2,977,866</u>	
Creditors: amounts falling due after more than one year	6	(455,288)		(1,027,578)	
Provisions for liabilities	9	(135,199)		(116,165)	
Net assets		<u>1,922,359</u>		<u>1,834,123</u>	
Capital and reserves					
Called up share capital	11	38,400		38,400	
Share premium account	12	667,000		667,000	
Capital redemption reserve	13	21,600		21,600	
Profit and loss reserves	14	1,195,359		1,107,123	
Total equity		<u>1,922,359</u>		<u>1,834,123</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 on pages 2 to 11 were approved by the board of directors and authorised for issue on 28 July 2016 and are signed on its behalf by:



Mr. I A Leith
Director

ALEXANDER ROSS & SONS (SAND AND GRAVEL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Alexander Ross & Sons (Sand and Gravel) Limited is a private company limited by shares 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") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, and under the historical cost convention, modified to include certain financial instruments at fair value.

The directors are satisfied with the results this year and forecast that trading will continue to be profitable for the foreseeable future. The directors consider that the company has built up sufficient reserves to cover any unforeseeable losses, and its parent company, Leiths (Scotland) Limited, has confirmed support in order to ensure that all liabilities continue to be repaid as they fall due. Consequently, they continue to adopt the going concern basis.

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.

First time adoption of FRS 102

These financial statements are the first financial statements of Alexander Ross & Sons (Sand and Gravel) Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) as applied to smaller entities by the adoption of Section 1A of FRS 102. The financial statements of the company for the year ended 31 December 2014 were prepared in accordance with Financial Reporting Standard for Smaller Entities (Effective April 2008) (FRSSE).

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from the FRSSE. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date.

Adjustments to corresponding amounts

The company have reconsidered the presentation of certain costs that have previously been shown within administration costs. The costs, which in the prior period amounted to £12,510 have been reallocated to cost of sales and turnover, and the gross profit has been restated by an equal amount.

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.

ALEXANDER ROSS & SONS (SAND AND GRAVEL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

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 or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	48 - 50 years straight line
Plant and machinery	8 - 15% reducing balance
Office equipment	10% reducing balance and 20% straight line
Motor vehicles	15% 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 minerals and other deposits are extracted, if the extraction will result in loss of 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 in the 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 profit or loss.

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.

ALEXANDER ROSS & SONS (SAND AND GRAVEL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Financial assets

Basic financial assets, which include trade and other receivables 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.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank overdrafts 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.

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.

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 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.

ALEXANDER ROSS & SONS (SAND AND GRAVEL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

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 the 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.

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.

ALEXANDER ROSS & SONS (SAND AND GRAVEL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015 Number	2014 Number
Total	32	27

3 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2015	776,105	4,114,407	12,387	1,396,683	6,299,582
Additions	411,159	41,766	-	56,710	509,635
Disposals	-	(94,709)	-	(120,875)	(215,584)
Transfers	-	25,500	-	(25,500)	-
At 31 December 2015	1,187,264	4,086,964	12,387	1,307,018	6,593,633
Depreciation					
At 1 January 2015	279,767	1,471,355	3,214	661,666	2,416,002
Depreciation charged in the year	10,752	395,392	1,461	112,830	520,435
Eliminated in respect of disposals	-	(93,219)	-	(83,372)	(176,591)
Transfers	-	20,794	-	(20,794)	-
At 31 December 2015	290,519	1,794,322	4,675	670,330	2,759,846
Net book value					
At 31 December 2015	896,745	2,292,642	7,712	636,688	3,833,787
At 31 December 2014	496,338	2,643,052	9,173	735,017	3,883,580

The net book value of plant and machinery includes £1,682,439 (2014 - £1,795,874) in respect of assets held under finance leases.

4 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	260,797	723,299
Corporation tax recoverable	18,187	9,726
Amounts due by group undertakings	89,213	95,149
Other debtors	42,208	126,353
	410,405	954,527

ALEXANDER ROSS & SONS (SAND AND GRAVEL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

5 Creditors: amounts falling due within one year

	Notes	2015 £	2014 £
Bank loans and overdrafts	7	258,262	476,233
Obligations under finance leases	8	378,058	542,424
Trade creditors		169,641	242,054
Amounts due to group undertakings		992,356	575,101
Other taxation and social security		161,870	94,009
Other creditors		94,232	96,161
Accruals and deferred income		20,094	49,266
		<u>2,074,513</u>	<u>2,075,248</u>

6 Creditors: amounts falling due after more than one year

	Notes	2015 £	2014 £
Obligations under finance leases	8	455,288	833,346
Other creditors		-	194,232
		<u>455,288</u>	<u>1,027,578</u>

7 Borrowings

	2015 £	2014 £
Bank overdrafts	<u>258,262</u>	<u>476,233</u>
Payable within one year	<u>258,262</u>	<u>476,233</u>

The bank overdraft is secured by a cross guarantee given by Alexander Ross & Sons (Sand and Gravel) Limited and assets and charges over other group companies.

8 Finance lease obligations

	2015 £	2014 £
Future minimum lease payments due under finance leases:		
Less than one year	378,058	542,424
Between one and five years	455,288	833,346
	<u>833,346</u>	<u>1,375,770</u>

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

ALEXANDER ROSS & SONS (SAND AND GRAVEL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

9 Provisions for liabilities

	2015 £	2014 £
Deferred tax liabilities	135,199	116,165
	<u>135,199</u>	<u>116,165</u>

10 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £8,509 (2014 - £4,339).

Contributions totalling £673 (2014 - £45) were payable to the scheme at the end of the year and were paid in January 2016.

11 Called up share capital

	2015 £	2014 £
Ordinary share capital		
Issued and fully paid		
38,400 Ordinary shares of £1 each	38,400	38,400
	<u>38,400</u>	<u>38,400</u>

12 Share premium account

	2015 £	2014 £
At beginning and end of year	667,000	667,000
	<u>667,000</u>	<u>667,000</u>

13 Capital redemption reserve

	2015 £	2014 £
At beginning of year	21,600	-
Purchase of own shares	-	21,600
At end of year	<u>21,600</u>	<u>21,600</u>

ALEXANDER ROSS & SONS (SAND AND GRAVEL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

14 Reserves

	2015 £	2014 £
At beginning of year	1,107,123	1,774,033
Profit for the year	88,236	158,090
Purchase of own shares	-	(825,000)
At end of year	<u>1,195,359</u>	<u>1,107,123</u>

15 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 on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The audit report was unqualified.

The senior statutory auditor was Cameron Bruce.

The auditor was RSM UK Audit LLP.

16 Financial commitments, guarantees and contingent liabilities

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

17 Capital commitments

	2015 £	2014 £
At 31 December 2015 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	-	36,990

18 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 Alexander Ross & Sons (Sand and Gravel) Limited are prepared. The registered office address of Leiths (Scotland) Limited is Rigifa, Cove, Aberdeen, AB12 3LR.

19 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.

ALEXANDER ROSS & SONS (SAND AND GRAVEL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

20 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	1 January 2014 £	31 December 2014 £
Equity as reported under previous UK GAAP		2,501,033	1,826,402
Adjustments arising from transition to FRS 102: Share buy-back financing arrangement	A	-	7,721
Equity reported under FRS 102		<u>2,501,033</u>	<u>1,834,123</u>

Reconciliation of profit or loss

	Notes	2014 £
Profit or loss as reported under previous UK GAAP		150,369
As restated		<u>150,369</u>
Adjustments arising from transition to FRS 102: Share buy-back financing arrangement	A	7,721
Profit or loss reported under FRS 102		<u>158,090</u>

Notes to reconciliations on adoption of FRS 102

A - Share buy-back financing arrangement

During the year ended 31 December 2014 the company bought back shares with the proceeds to be paid by instalments over three years. Under FRS 102 this arrangement constitutes a financing transaction and the creditor is now measured at transition and subsequently at the present value of future payments discounted at a market rate of interest for a similar debt instrument. The adjustments disclosed above include the associated tax effects.