Company Registration No. SC040785 (Scotland)

ALEXANDER ROSS & SONS (SAND AND GRAVEL) LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022

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ALEXANDER ROSS & SONS (SAND AND GRAVEL) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Company Registration No. SC040785

ALEXANDER ROSS & SONS (SAND AND GRAVEL) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	4		1,723,882		1,884,844
Current assets					
Stocks		754,602		793,304	
Debtors	5	449,815		475,094	
Cash at bank and in hand		2,633,127		1,669,382	
		3,837,544		2,937,780	
Creditors: amounts falling due within one year	6	(881,298)		(816,139)	
Net current assets			2,956,246		2,121,641
Total assets less current liabilities			4,680,128		4,006,485
Provisions for liabilities	7		(113,426)		(111,208)
Net assets			4,566,702		3,895,277
Capital and reserves					
Called up share capital	8		38,400		38,400
Share premium account			667,000		667,000
Capital redemption reserve			21,600		21,600
Profit and loss reserves	9		3,839,702		3,168,277
Total equity			4,566,702		3,895,277

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 11 September 2023 and are signed on its behalf by:

ialeith

Mr I A Leith
Director

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"), 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.

Going concern
At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

After the closure of the 2022 financial year, there were no events that could have significant effects on the company's financial statements.

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

Land and buildings	2% straight line
Plant and machinery	12.5% - 33% reducing balance
Office equipment	10% reducing balance and 20% straight line
Motor vehicles	20% - 30% 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.

1 Accounting policies (Continued)

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 in the company's statement of financial position 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.

Basic financial assets

Basic financial assets, which include 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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.

1 Accounting policies (Continued)

Classification of financial liabilities

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.

Basic 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.

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 transaction 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.

1 Accounting policies (Continued)

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.

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that 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 reporting end date, 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. When a provision is measured at present value, the unwinding of the discount is recognised as an expense in profit or loss in the period in which it arises.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

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

All leases are operating leases and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

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.

Government grants

Government grants that specify performance conditions are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable.

2 Employees

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

	2022 Number	2021 Number
Total	19	19

3 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	138,911	116,232
Adjustments in respect of prior periods	-	(18,583)
Total current tax	138,911	97,649
Deferred tax		
Origination and reversal of timing differences	1,329	17,058
Total tax charge	140,240	114,707

4 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2022	1,187,264	3,689,389	15,857	925,286	5,817,796
Additions	-	6,000	-	34,715	40,715
Disposals	-	-	-	(130,145)	(130,145)
At 31 December 2022	1,187,264	3,695,389	15,857	829,856	5,728,366
Depreciation and impairment					
At 1 January 2022	355,025	2,787,476	13,008	777,443	3,932,952
Depreciation charged in the year	10,751	129,923	1,535	42,306	184,515
Eliminated in respect of disposals	-	-	-	(112,983)	(112,983)
At 31 December 2022	365,776	2,917,399	14,543	706,766	4,004,484
Carrying amount					
At 31 December 2022	821,488	777,990	1,314	123,090	1,723,882
At 31 December 2021	832,239	901,913	2,849	147,843	1,884,844

5 Debtors

Amounts falling due within one year:	2022 £	2021 £
Trade debtors	96,137	198,599
Amounts due by group undertakings	280,334	240,879
Other debtors	73,344	35,616
	449,815	475,094

6 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	165,564	165,783
Amounts owed to group undertakings	274,544	69,756
Corporation tax	92,490	116,232
Other taxation and social security	204,223	215,499
Other creditors	(168)	(50)
Accruals and deferred income	144,645	248,919
	881,298	816,139

7 Provisions for liabilities

	2022 £	2021 £
Site restoration	12,745	11,856
Deferred tax liabilities	100,681	99,352
	113,426	111,208

8 Called up share capital

Ordinary share capital	2022 Number	2021 Number	2022 £	2021 £
Issued and fully paid				
38,400 Ordinary shares of £1 each	38,400	38,400	38,400	38,400

9 Profit and loss reserves

	2022 £	2021 £
At the beginning of the year	3,168,277	2,718,084
Profit for the year	671,425	450,193
At the end of the year	3,839,702	3,168,277

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 Leiths (Central) Limited. The bank borrowings are secured by a floating charge over the assets and undertakings of the companies noted above. The group has also provided standard security over some of its properties however the parent company, Leiths (Scotland) Limited, has provided a counter indemnity for all borrowings.

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

12 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 Grant Morrison CA .
The auditor was RSM UK Audit LLP.