

Unaudited Financial Statements
for the Year Ended 31 October 2022
for
Hugh Simpson (Contractors) Limited

Victor T Fraser & Co Limited
Chartered Accountants
3-4 Market Place
Wick
Caithness
KW1 4LP

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for the Year Ended 31 October 2022

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Hugh Simpson (Contractors) Limited

Company Information
for the Year Ended 31 October 2022

DIRECTORS:	H Simpson H A Simpson D J Simpson
SECRETARY:	Mrs E C Simpson
REGISTERED OFFICE:	South Quay The Harbour Wick Caithness KW1 5HA
REGISTERED NUMBER:	SC067751 (Scotland)
ACCOUNTANTS:	Victor T Fraser & Co Limited Chartered Accountants 3-4 Market Place Wick Caithness KW1 4LP
BANKERS:	Virgin Money 15 Academy Street Inverness IV1 1JN
SOLICITORS:	MacRoberts LLP Capella 60 York Street Glasgow G2 8JX

Abridged Balance Sheet
31 October 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	4		-		-
Tangible assets	5		<u>8,512,851</u>		<u>6,216,447</u>
			8,512,851		6,216,447
CURRENT ASSETS					
Stocks		103,061		70,259	
Debtors	6	3,547,810		1,961,636	
Cash at bank and in hand		<u>2,091,723</u>		<u>2,876,817</u>	
		5,742,594		4,908,712	
CREDITORS					
Amounts falling due within one year		<u>1,994,332</u>		<u>437,847</u>	
NET CURRENT ASSETS			<u>3,748,262</u>		<u>4,470,865</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			12,261,113		10,687,312
CREDITORS					
Amounts falling due after more than one year			(636,395)		(1,000,000)
PROVISIONS FOR LIABILITIES			(1,341,376)		(870,369)
ACCRUALS AND DEFERRED INCOME	8		<u>(75,129)</u>		<u>(90,155)</u>
NET ASSETS			<u>10,208,213</u>		<u>8,726,788</u>
CAPITAL AND RESERVES					
Called up share capital			82,107		82,107
Capital redemption reserve			(472,391)		(472,391)
Retained earnings			<u>10,598,497</u>		<u>9,117,072</u>
SHAREHOLDERS' FUNDS			<u>10,208,213</u>		<u>8,726,788</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 October 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 October 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

All the members have consented to the preparation of an abridged Balance Sheet for the year ended 31 October 2022 in accordance with Section 444(2A) of the Companies Act 2006.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 28 July 2023 and were signed on its behalf by:

H Simpson - Director

1. **STATUTORY INFORMATION**

Hugh Simpson (Contractors) 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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents the value of the sale of goods and services to external customers net of value added tax, rebates and discounts. Turnover is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer, which generally arises on delivery or in accordance with specific terms and conditions agreed with customers.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2005 was fully written off in the year of acquisition.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Long leasehold	- at varying rates on cost
Plant and machinery	- 10% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 20% on reducing balance

Freehold property is stated at cost less accumulated depreciation and any recognised provision for impairment. Costs include original purchase price of the asset and the costs incurred attributable to bringing the asset to its working condition for intended use.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

2. **ACCOUNTING POLICIES - continued**

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement 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.

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 at least the next 12 months from signing. The company has a strong net assets position and a good pipeline of work.

Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The financial statements do not include any adjustments that would result in the going concern basis of preparation not being appropriate.

2. ACCOUNTING POLICIES - continued

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 statements.

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 next amounts presented in the financial statements, when there is 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 trade and other debtors, 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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. The impairment loss is recognised in profit or loss.

Derecognition of financial assets and liabilities

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity. Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

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, including trade and other creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financial transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Notes to the Financial Statements - continued
for the Year Ended 31 October 2022

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 31 (2021 - 31) .

4. **INTANGIBLE FIXED ASSETS**

	Totals £
COST	
At 1 November 2021 and 31 October 2022	<u>21,500</u>
AMORTISATION	
At 1 November 2021 and 31 October 2022	<u>21,500</u>
NET BOOK VALUE	
At 31 October 2022	<u>-</u>
At 31 October 2021	<u>-</u>

5. **TANGIBLE FIXED ASSETS**

	Totals £
COST	
At 1 November 2021	11,192,681
Additions	4,794,104
Disposals	<u>(3,417,398)</u>
At 31 October 2022	<u>12,569,387</u>
DEPRECIATION	
At 1 November 2021	4,976,234
Charge for year	779,334
Eliminated on disposal	<u>(1,699,032)</u>
At 31 October 2022	<u>4,056,536</u>
NET BOOK VALUE	
At 31 October 2022	<u>8,512,851</u>
At 31 October 2021	<u>6,216,447</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2022

5. **TANGIBLE FIXED ASSETS - continued**

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

	Totals £
COST	
At 1 November 2021	548,825
Additions	3,344,735
Transfer to ownership	(548,825)
At 31 October 2022	<u>3,344,735</u>
DEPRECIATION	
At 1 November 2021	165,403
Charge for year	222,982
Transfer to ownership	(165,403)
At 31 October 2022	<u>222,982</u>
NET BOOK VALUE	
At 31 October 2022	<u>3,121,753</u>
At 31 October 2021	<u>383,422</u>

6. **DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2022 £	2021 £
Other debtors	<u>17,301</u>	<u>19,512</u>

7. **SECURED DEBTS**

The following secured debts are included within creditors:

	2022 £	2021 £
Bank loans	1,000,000	1,000,000
Hire purchase contracts	<u>1,099,472</u>	<u>86,062</u>
	<u>2,099,472</u>	<u>1,086,062</u>

8. **ACCRUALS AND DEFERRED INCOME**

	2022 £	2021 £
Balance at 1 November 2021	90,155	105,181
Amount received in year	nil	nil
Amount released to profit and loss account	<u>-15,026</u>	<u>-15,026</u>
Balance at 31 October 2022	<u>75,129</u>	<u>90,155</u>

9. **RELATED PARTY DISCLOSURES**

Simpson Oils Limited

A company in which H Simpson is majority shareholder.

The company provides management and other services to Simpson Oils Limited at normal commercial rates and on normal commercial terms.

The total value of services supplied by the company to Simpson Oils Limited during the year was £762,887 (2021 - £693,019).

The company purchases fuel and other products from Simpson Oils Limited at normal commercial rates and on normal commercial terms.

The total value of supplies to the company by Simpson Oils Limited during the year was £594,949 (2021 - £295,027).

	2022	2021
	£	£
Amount due from/(to) related party at the balance sheet date	62,445	118,521

Oil and Storage Services Limited

A company in which Hugh Simpsons two sons are shareholders/directors

The company provides goods and services to Oil and Storage Services Limited at normal commercial rates and on normal commercial terms.

The total value of goods and services supplied to the company by Oil and Storage Services Limited during the year was £nil (2021 - £191).

The company purchase services from Oil and Storage Services Limited at normal commercial rates and on normal commercial terms.

The total value of services supplied to the company by Oil and Storage Services Limited during the year was £nil (2021 - £nil).

	2022	2021
	£	£
Amount due from/(to) related party at the balance sheet date	nil	-18,396

MPA Engineering Limited

A company owned by Oil and Storage Services Limited

The company provides goods and services to MPA Engineering Limited at normal commercial rates and on normal commercial terms.

The total value of goods and services supplied by the company to MPA Engineering Limited during the year was £94 (2021 - £96).

The company purchase services from MPA Engineering Limited at normal commercial rates and on normal commercial terms.

The total value of goods and services supplied to the company by MPA Engineering Limited during the year was £nil (2021 - £nil).

	2022	2021
	£	£
Amount due from/(to) related party at the balance sheet date	-14,442	-14,530

H Simpson

Director and majority shareholder

The amounts outstanding at the end of the financial year in respect of loans from the director to the company were £6,662 (2021 - £6,662)

As at 31 October 2022, the company had outstanding loans due to members of the director's family totalling £19,789 (2021 - £19,789).

10. **ULTIMATE CONTROLLING PARTY**

The company is under the control of Mr H Simpson who owns 98.8% of 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.