

DOUGAL & RAILTON LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017
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DOUGAL & RAILTON LIMITED

COMPANY INFORMATION

Directors	Mr G P Forster Mr C Burt
Secretary	Mr C Burt
Company number	00573352
Registered office	Strowger House Sandy Lane Industrial Estate Wideopen Newcastle upon Tyne England NE3 5HE
Auditor	Baldwins Audit Services Limited 32 Brenkley Way Blezard Business Park Seaton Burn Newcastle upon Tyne NE13 6DS

DOUGAL & RAILTON LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Statement of changes in equity	3
Notes to the financial statements	4 - 12

DOUGAL & RAILTON LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3	292,391		284,251	
Investments	4	100,617		80,342	
			<u>393,008</u>		<u>364,593</u>
Current assets					
Stocks		19,500		19,500	
Debtors	5	915,612		739,524	
Cash at bank and in hand		87,212		97,645	
			<u>1,022,324</u>		<u>856,669</u>
Creditors: amounts falling due within one year	6	(964,737)		(724,845)	
Net current assets			<u>57,587</u>		<u>131,824</u>
Total assets less current liabilities			<u>450,595</u>		<u>496,417</u>
Creditors: amounts falling due after more than one year	7	(75,077)		(55,103)	
Provisions for liabilities		(4,404)		(3,390)	
Net assets			<u><u>371,114</u></u>		<u><u>437,924</u></u>
Capital and reserves					
Called up share capital	9	130		130	
Share premium account		99,870		99,870	
Capital redemption reserve		1,018		1,018	
Profit and loss reserves		270,096		336,906	
Total equity			<u><u>371,114</u></u>		<u><u>437,924</u></u>

The directors of the company have elected not to include a copy of the profit and loss account 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.

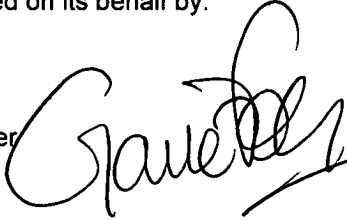
DOUGAL & RAILTON LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 OCTOBER 2017

The financial statements were approved by the board of directors and authorised for issue on 29 March 2018 and are signed on its behalf by:

Mr G P Forster
Director



Mr C Burt
Director

Company Registration No. 00573352

DOUGAL & RAILTON LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2017

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 November 2015		130	99,870	1,018	425,405	526,423
Year ended 31 October 2016:						
Profit and total comprehensive income for the year		-	-	-	111,501	111,501
Dividends		-	-	-	(200,000)	(200,000)
Balance at 31 October 2016		130	99,870	1,018	336,906	437,924
Year ended 31 October 2017:						
Profit for the year		-	-	-	21,962	21,962
Other comprehensive income:						
Fair value on investments adjusted through opening reserves		-	-	-	11,228	11,228
Total comprehensive income for the year		-	-	-	33,190	33,190
Dividends		-	-	-	(100,000)	(100,000)
Balance at 31 October 2017		130	99,870	1,018	270,096	371,114

DOUGAL & RAILTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2017

1 Accounting policies

Company information

Dougal & Railton Limited is a private company limited by shares incorporated in England and Wales. The registered office is Strowger House, Sandy Lane Industrial Estate, Wideopen, Newcastle upon Tyne, England, NE3 5HE.

1.1 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. 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 financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 October 2017 are the first financial statements of Dougal & Railton Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 November 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 13.

1.2 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.

Where there are contracts which are gradually performed over time, if there is sufficient certainty over the profitability of the contract, then revenue is recognised at the year end to reflect the partial performance of the contractual obligations.

Turnover in respect of contracts is measured by an assessment of the fair value of the services provided at the year end as a proportion of the total fair value of the contract. The amount by which recorded turnover is in excess of payments on account is included in debtors as amounts recoverable on contracts. Payments in excess of recorded turnover are included in creditors as payments received on account. The amount by which provisions or accruals for foreseeable losses exceed costs incurred, after transfers to costs of sales, is included within either provisions for liabilities and charges or creditors, as appropriate.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, 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 Leasehold	2% on cost
Leasehold improvements	10% on cost
Fixtures, fittings & equipment	20% on reducing balance
Motor vehicles	25% on reducing balance

DOUGAL & RAILTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

1 Accounting policies

(Continued)

Included within the cost of long leasehold property in both 2016 and 2017 is land of £35,000 which has not been depreciated.

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.

1.4 Fixed asset investments

Listed fixed asset investments are measured at fair value through profit or loss. The fair value of £100,617 and the £4,899 increase in fair value recognised in the profit for the year was determined by reference to the share portfolio valuation as at 31 October 2017. The directors have not restated comparatives having taken advantage of transition exemptions outlined in note 14.

1.5 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.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 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 balance sheet when the company becomes party to the contractual provisions of the instrument.

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.

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.

DOUGAL & RAILTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares 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. Financial liabilities classified as payable within one year are not amortised.

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. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Employee benefits

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

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

DOUGAL & RAILTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

1 Accounting policies

(Continued)

1.11 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 balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 32 (2016 - 35).

3 Tangible fixed assets

	Land and buildings Leasehold	Leasehold improvements	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 November 2016	179,700	48,247	50,662	170,302	448,911
Additions	-	-	18,195	55,952	74,147
Disposals	-	-	(1,200)	(47,000)	(48,200)
At 31 October 2017	179,700	48,247	67,657	179,254	474,858
Depreciation and impairment					
At 1 November 2016	27,252	44,226	36,422	56,759	164,659
Depreciation charged in the year	2,894	4,019	3,453	31,281	41,647
Eliminated in respect of disposals	-	-	(1,178)	(22,661)	(23,839)
At 31 October 2017	30,146	48,245	38,697	65,379	182,467
Carrying amount					
At 31 October 2017	149,554	2	28,960	113,875	292,391
At 31 October 2016	152,448	4,021	14,239	113,543	284,251

DOUGAL & RAILTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

3 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017 £	2016 £
Plant and machinery	-	-
Fixtures, fittings & equipment	22,709	6,400
Motor vehicles	108,337	106,159
Computer equipment	-	-
	<u>131,046</u>	<u>112,559</u>
Depreciation charge for the year in respect of leased assets	<u>31,322</u>	<u>29,062</u>

4 Fixed asset investments

	2017 £	2016 £
Investments	<u>100,617</u>	<u>80,342</u>

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 November 2016	80,342
Additions	2,815
Valuation changes	4,899
Opening balance fair value adjustment	14,035
Disposals	(1,474)
At 31 October 2017	<u>100,617</u>
Carrying amount	
At 31 October 2017	<u>100,617</u>
At 31 October 2016	<u>80,342</u>

DOUGAL & RAILTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

5 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	365,590	325,237
Gross amounts due from contract customers	384,139	225,621
Other debtors	136,160	133,973
Prepayments and accrued income	29,723	53,241
	<u>915,612</u>	<u>738,072</u>
Amounts falling due after more than one year:		
Other debtors	-	1,452
	<u>-</u>	<u>1,452</u>
Total debtors	<u>915,612</u>	<u>739,524</u>

6 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts		104,002	155,720
Obligations under hire purchase / finance leases		23,382	21,136
Payments received on account		10,395	1,052
Trade creditors		660,117	318,987
Corporation tax		3,217	22,806
Other taxation and social security		53,051	120,352
Other creditors		4,475	4,269
Accruals and deferred income		106,098	80,523
		<u>964,737</u>	<u>724,845</u>

The bank overdraft and bank loan are secured by a legal charge over the leasehold property known as Strowger House, Unit 4C Sandy Lane, Newcastle upon Tyne dated 9 August 2007 and a debenture dated 16 January 2004 giving fixed and floating charges over the undertaking and all property and assets present and future including goodwill, bookdebts, uncalled capital, buildings, fixtures and fixed plant and machinery. There is also a charge over the whole of life Parmenion offshore bond policy, policy number PAR2000128.

7 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Obligations under hire purchase / finance leases		<u>75,077</u>	<u>55,103</u>

Amounts included above which fall due after five years are as follows:

DOUGAL & RAILTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

7 Creditors: amounts falling due after more than one year (Continued)

Payable by instalments	5,836	-
	<u> </u>	<u> </u>

8 Retirement benefit schemes

	2017	2016
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	42,381	31,750
	<u> </u>	<u> </u>

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.

At 31 October 2017 there is a pension creditor of £2,602 included within other creditors (2016: £2,969).

9 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
130 Ordinary of £1 each	130	130
	<u> </u>	<u> </u>
	130	130
	<u> </u>	<u> </u>

10 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 auditor's report was unqualified.
The senior statutory auditor was Jennifer Hall.
The auditor was Baldwins Audit Services Limited.

11 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2017	2016
	£	£
	4,467	1,226
	<u> </u>	<u> </u>

DOUGAL & RAILTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

12 Directors' transactions

Dividends totalling £100,000 (2016 - £200,000) were paid in the year in respect of shares held by the company's directors.

Advances or credits have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
	-	70,997	111,333	(106,030)	76,300
	-	59,736	75,702	(77,030)	58,408
		<u>130,733</u>	<u>187,035</u>	<u>(183,060)</u>	<u>134,708</u>

13 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	1 November 2015 £	31 October 2016 £
Equity as reported under previous UK GAAP		558,324	465,613
Adjustments arising from transition to FRS 102: Employment benefit	(i)	(31,901)	(27,689)
Equity reported under FRS 102		<u>526,423</u>	<u>437,924</u>

Reconciliation of profit for the financial period

	Notes	2016 £
Profit as reported under previous UK GAAP		107,289
Adjustments arising from transition to FRS 102: Employment benefit	(i)	4,212
Profit reported under FRS 102		<u>111,501</u>

Notes to reconciliations on adoption of FRS 102

(i) Employment benefits

Under previous GAAP, the company did not make adjustment for short-term benefits earned but not provided by the year-end. Under FRS 102 the company is required to accrue for such amounts. This has resulted in a reduction in reserves at the date of transition of £39,876 with an increased movement in reserves of £5,265 in the year ended 31 October 2016.

DOUGAL & RAILTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 OCTOBER 2017**

13 Reconciliations on adoption of FRS 102

(Continued)

(ii) Listed investments

Listed investments have been measured at fair value in the current year with deferred taxation recognised in accordance with the requirements of FRS 102. The transition exemption in FRS 102.35.10(u) has been taken and hence investment in the comparative year are measured at cost in line with the policy adopted under FRSSE (effective January 2015) and an adjustment of £14,035 has been made to the profit and loss account brought forward in the year to 31 October 2017. A deferred tax amount of £2,807 has been charged to the operating profit and loss account in this regard. These adjustments are not included in the above FRS 102 reconciliations of equity and profit and loss.