

NESSGRO LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018
PAGES FOR FILING WITH REGISTRAR



NESSGRO LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Notes to the financial statements	3 - 11

NESSGRO LIMITED

BALANCE SHEET

AS AT 31 MAY 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	4	2,224,268		1,360,805	
Investments	5	50		50	
		<u>2,224,318</u>		<u>1,360,855</u>	
Current assets					
Stocks		818,501		603,105	
Debtors	6	1,032,389		702,115	
Cash at bank and in hand		19		245,019	
		<u>1,850,909</u>		<u>1,550,239</u>	
Creditors: amounts falling due within one year	7	(1,635,892)		(1,020,853)	
Net current assets		<u>215,017</u>		<u>529,386</u>	
Total assets less current liabilities		<u>2,439,335</u>		<u>1,890,241</u>	
Creditors: amounts falling due after more than one year	8	(348,897)		(226,510)	
Provisions for liabilities	10	(184,728)		(157,582)	
Deferred income	11	(392,383)		(101,308)	
Net assets		<u>1,513,327</u>		<u>1,404,841</u>	
Capital and reserves					
Called up share capital	12	10,000		10,000	
Profit and loss reserves	13	1,503,327		1,394,841	
Total equity		<u>1,513,327</u>		<u>1,404,841</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.

NESSGRO LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2018

The financial statements were approved by the board of directors and authorised for issue on 22.3.19, and are signed on its behalf by:


.....
Mr Steven Jack
Director

Company Registration No. SC274212

NESSGRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

Company information

NessGro Limited is a private company limited by shares incorporated in Scotland. The registered office is Johnstone House, 52-54 Rose Street, Aberdeen, AB10 1HA.

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 pound sterling.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 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.

During the year, the company obtained a short-term bank loan of £532k to fund the purchase of new plant and machinery. Subsequent to the year end, this was refinanced on a five year lease purchase arrangement.

Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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.

Revenue from the sale of goods is recognised on dispatch of the goods.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently 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:

Plant and machinery	10% & 15% Reducing Balance
Fixtures, fittings & equipment	33% Reducing Balance
Motor vehicles	22% 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.

NESSGRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

(Continued)

1.5 Fixed asset investments

Fixed asset investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.6 Impairment of fixed assets

At each reporting period 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 any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 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.

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.

1.8 Cash and cash equivalents

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.

1.9 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.

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.

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.

NESSGRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from related parties 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.

Derecognition of financial liabilities

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

1.10 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.

1.11 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 is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

1.12 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.

NESSGRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

(Continued)

1.13 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.

1.14 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account in line with depreciation of the related assets. Grants towards revenue expenditure are released to the profit and loss account as the expenditure is incurred.

2 Employees

The company has no employees. All labour costs relate to subcontractors or recharges from a related party.

3 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	-	16,444
Adjustments in respect of prior periods	(20,002)	95
Total current tax	(20,002)	16,539
Deferred tax		
Origination and reversal of timing differences	26,717	6,174
Changes in tax rates	-	(8,907)
Adjustment in respect of prior periods	429	-
Total deferred tax	27,146	(2,733)
Total tax charge	7,144	13,806

NESSGRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 June 2017	2,264,338
Additions	1,041,660
Disposals	(46,450)
At 31 May 2018	3,259,548
Depreciation and impairment	
At 1 June 2017	903,533
Depreciation charged in the year	159,800
Eliminated in respect of disposals	(28,053)
At 31 May 2018	1,035,280
Carrying amount	
At 31 May 2018	2,224,268
At 31 May 2017	1,360,805

5 Fixed asset investments

	2018 £	2017 £
Investments	50	50

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 June 2017 & 31 May 2018	50
Carrying amount	
At 31 May 2018	50
At 31 May 2017	50

NESSGRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

6 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	103,879	178,839
Corporation tax recoverable	16,796	33,602
Other debtors	911,714	489,674
	<u>1,032,389</u>	<u>702,115</u>

7 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Bank loans and overdrafts		683,902	81,104
Obligations under finance leases	9	232,046	167,542
Preference shares		50,000	50,000
Trade creditors		350,120	370,764
Corporation tax		7,261	33,335
Dividends payable		40,000	40,000
Other creditors		225,000	225,000
Accruals and deferred income		47,563	53,108
		<u>1,635,892</u>	<u>1,020,853</u>

The bank overdraft and loan are secured with a floating charge over all assets of the company.

The preference shares entitle the holders to a fixed cumulative preference share dividend of £0.07 per share and are redeemable at the option of the company.

8 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Obligations under finance leases	9	<u>348,897</u>	<u>226,510</u>

9 Finance lease obligations

	2018 £	2017 £
Future minimum lease payments due under finance leases:		
Within one year	232,046	167,542
In two to five years	348,897	226,510
	<u>580,943</u>	<u>394,052</u>

NESSGRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

9 Finance lease obligations

(Continued)

Net obligations under hire purchase contracts are secured over the asset which they relate.

10 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2018 £	Liabilities 2017 £
Balances:		
Accelerated capital allowances	198,943	157,582
Tax losses	(14,215)	-
	<u>184,728</u>	<u>157,582</u>
Movements in the year:		2018 £
Liability at 1 June 2017		157,582
Charge to profit or loss		27,146
Liability at 31 May 2018		<u>184,728</u>

11 Government grants

	2018 £	2017 £
Arising from government grants	<u>392,383</u>	<u>101,308</u>

12 Called up share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid		
10,000 Ordinary Shares of £1 each	<u>10,000</u>	<u>10,000</u>
	<u>10,000</u>	<u>10,000</u>

Preference shares are included in creditors due within one year.

NESSGRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

13 Profit and loss reserves

Retained earnings represent cumulative profits and losses of the company.

14 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 Fiona Kenneth.

The auditor was Johnston Carmichael LLP.

15 Events after the reporting date

During the year, the company obtained a short-term bank loan of £532k to fund the purchase of new plant and machinery. Subsequent to the year end, this was refinanced on a five year lease purchase arrangement.

16 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales		Purchases	
	2018	2017	2018	2017
	£	£	£	£
Other related parties	278,010	40,907	726,462	626,055

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2018	2017
	£	£
Other related parties	524,317	137,270

NESSGRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

17 Directors' transactions

Preference dividends of £3,500 per annum are payable to a director. Other creditors at 31 May 2018 include cumulative unpaid preference dividends of £44,333 (2017 - £40,833) and unpaid ordinary dividends of £40,000 (2017 - £40,000) due to a director in respect of previous years.

In addition, a director previously advanced interest free loans to the company. During the year £nil (2017 - £50,000) was repaid and the balance outstanding at the year end was £225,000 (2017 - £225,000).

Dividends to a director totalling £35,000 (2017 - £25,000) were declared during the year.

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Amounts due from a director	-	57,225	24,000	(35,000)	46,225
		<u>57,225</u>	<u>24,000</u>	<u>(35,000)</u>	<u>46,225</u>