REGISTERED NUMBER: SC034282 (Scotland)

Unaudited Financial Statements

for the Year Ended

31 March 2017

for

Ferguson & Menzies Limited

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Ferguson & Menzies Limited

Company Information
for the Year Ended 31 March 2017

DIRECTORS:	Ms E Proud Mr J N Proud
SECRETARY:	Mrs B J Duthie
REGISTERED OFFICE:	312 Broomloan Road Govan Glasgow G51 2JW
REGISTERED NUMBER:	SC034282 (Scotland)
ACCOUNTANTS:	Haines Watts Floor 1 24 Blythswood Square Glasgow G2 4BG

Statement of Financial Position
31 March 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	4	**642,820**	502,166
CURRENT ASSETS			
Stocks	5	**837,916**	749,788
Debtors	6	**942,199**	1,129,114
Cash at bank and in hand		**2,193**	19,128
		1,782,308	1,898,030
CREDITORS			
Amounts falling due within one year	7	**(1,567,885)**	(809,868)
NET CURRENT ASSETS		**214,423**	1,088,162
TOTAL ASSETS LESS CURRENT LIABILITIES		**857,243**	1,590,328
CREDITORS			
Amounts falling due after more than one year	8	**(98,611)**	(184,752)
PROVISIONS FOR LIABILITIES	11	**(44,510)**	(57,769)
NET ASSETS		**714,122**	1,347,807
CAPITAL AND RESERVES			
Called up share capital	12	**65,000**	65,000
Capital redemption reserve	13	**35,000**	35,000
Retained earnings	13	**614,122**	1,247,807
SHAREHOLDERS' FUNDS		**714,122**	1,347,807

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2017 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 of Part 15 of the Companies Act 2006 relating to small companies.

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 on 27 June 2017 and were signed on its behalf by:

Mr J N Proud - Director

The notes form part of these financial statements

1. STATUTORY INFORMATION

Ferguson & Menzies 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 the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Functional currency
The financial statements are presented in British Pounds Sterling which is the functional currency. Figures are shown to the nearest whole pound.

Turnover
Turnover represents net invoiced sales of services, excluding value added tax, and is recognised when invoices are issued to customers.

In the opinion of the directors the turnover of the company attributable to geographical markets outside the UK is 17.95% (2016 :85.75%).

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.

Buildings	2.5% on cost
Property improvements	2.5%- 20% on cost
Plant and machinery	10% on cost
Fixtures and fittings	20%- 25% on cost
Motor vehicles	25% on reducing balance

Fixed assets are initially recorded at cost.

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 statement of financial position date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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 statement of financial position 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.

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2. ACCOUNTING POLICIES - continued

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 the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

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.

Significant judgements and estimates
The preparation of financial statements requires the use of certain accounting estimates . It also requires the Directors to exercise judgement in applying the Companies Accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, are disclosed below:

Estimation Uncertainty

Useful life of properties, plant and equipment
The Company assesses the useful life of its properties, plant and equipment and estimates the annual charge to be depreciated based on this.

Recoverability of Debtors
The Company assesses the recoverability of Debtors on an individual basis, taking into consideration payment history, and perceived liquidity. Where it is considered that there is a higher than normal risk to the recoverability of these, provision is made against the recoverability of these debts.

Key Judgements made in the application of Accounting Policies
a) Exemptions taken in the transition to FRS 102
The Company has considered and taken advantage of the following exemptions in its first time application of FRS 102:
i) The Company has not revisited previous accounting estimates.

Financial instruments
Classification
The Company believes all financial instruments are Basic Financial Instruments. Therefore, the Company recognises these in accordance with Section 11 of the Financial Reporting Standard.

Recognition and measurement
The company's debt instruments are measured at amortised cost using the effective interest rate method.

Impairment
Financial instruments are reviewed annually for impairment.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 22 (2016 - 23) .

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4. **TANGIBLE FIXED ASSETS**

	Buildings £	Property improvements £	Plant and machinery £
COST			
At 1 April 2016	**84,507**	**126,769**	**923,372**
Additions	**-**	**237,427**	**4,995**
At 31 March 2017	**84,507**	**364,196**	**928,367**
DEPRECIATION			
At 1 April 2016	**31,163**	**88,386**	**612,593**
Charge for year	**2,113**	**7,738**	**64,818**
At 31 March 2017	**33,276**	**96,124**	**677,411**
NET BOOK VALUE			
At 31 March 2017	**51,231**	**268,072**	**250,956**
At 31 March 2016	53,344	38,383	310,779

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2016	**143,282**	**138,937**	**1,416,867**
Additions	**-**	**-**	**242,422**
At 31 March 2017	**143,282**	**138,937**	**1,659,289**
DEPRECIATION			
At 1 April 2016	**116,899**	**65,660**	**914,701**
Charge for year	**8,780**	**18,319**	**101,768**
At 31 March 2017	**125,679**	**83,979**	**1,016,469**
NET BOOK VALUE			
At 31 March 2017	**17,603**	**54,958**	**642,820**
At 31 March 2016	26,383	73,277	502,166

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

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 April 2016 and 31 March 2017	**488,466**	**139,368**	**627,834**
DEPRECIATION			
At 1 April 2016	**245,993**	**65,986**	**311,979**
Charge for year	**48,279**	**18,319**	**66,598**
At 31 March 2017	**294,272**	**84,305**	**378,577**
NET BOOK VALUE			
At 31 March 2017	**194,194**	**55,063**	**249,257**
At 31 March 2016	242,473	73,382	315,855

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5. STOCKS

	2017	2016
	£	£
Stocks	**837,916**	749,788

The cost of stock recognised as an expense in the year amounted to £2,929,346 (2016: £2,778,676).

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	**934,399**	809,264
Amounts owed by group undertakings	**-**	315,000
Other debtors	**7,800**	4,850
	942,199	1,129,114

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts	**319,424**	295,101
Hire purchase contracts (see note 9)	**55,836**	71,326
Trade creditors	**708,849**	352,620
Amounts owed to group undertakings	**311,000**	-
Taxation and social security	**153,095**	69,524
Other creditors	**19,681**	21,297
	1,567,885	809,868

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Bank loans	**64,653**	95,042
Hire purchase contracts (see note 9)	**33,958**	89,710
	98,611	184,752

9. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	**55,836**	71,326
Between one and five years	**33,958**	89,710
	89,794	161,036

	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	**38,204**	72,493

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10. SECURED DEBTS

The following secured debts are included within creditors:

	2017	2016
	£	£
Bank overdrafts	**289,311**	266,050
Bank loans	**94,766**	124,093
Hire purchase contracts	**89,794**	161,036
	473,871	551,179

The Royal Bank of Scotland plc holds a bond and floating charge over the assets of the company.

11. PROVISIONS FOR LIABILITIES

	2017	2016
	£	£
Deferred taxation	**44,510**	57,769

	Deferred tax
	£
Balance at 1 April 2016	**57,769**
Movement in current year	**(13,259)**
Balance at 31 March 2017	**44,510**

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017	2016
			£	£
65,000	Ordinary	£1	**65,000**	65,000

13. RESERVES

	Retained earnings	Capital redemption reserve	Totals
	£	£	£
At 1 April 2016	**1,247,807**	**35,000**	**1,282,807**
Profit for the year	**366,315**		**366,315**
Dividends	**(1,000,000)**		**(1,000,000)**
At 31 March 2017	**614,122**	**35,000**	**649,122**

14. RELATED PARTY DISCLOSURES

At the balance sheet date, the Company owed monies amounting to £311,000 (2016 : was owed monies amounting to £315,000) to Ferguson & Menzies Holdings Limited, the ultimate parent of the company.

15. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Ferguson & Menzies Holdings Limited.

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16. FINANCIAL RISK MANAGEMENT

Liquidity Risk
The objective of the Company in managing its liquidity risk is to ensure that it can meet its financial obligations through operating cash flows. Cash flow is regularly reviewed as part of the Company's reporting process to ensure that it is achieved. Based on the obligations set out in these financial statements, the Company is in position to meet its commitments and obligations as they come due given the continued support of its' directors.

Market risk
The market for the Company's products and services remains competitive. The Company is consistently reviewing its marketing strategies, and how to attract customers to purchase its' products through attendance at various industry conventions in order to identify the current needs within the industry. The Company also focuses on handling of customer enquiries by maintaining strong relationships with key customers and suppliers. Where appropriate, the Company seeks to minimise exposure to certain future risks of cost increases, e.g. interest rate fluctuations.

Credit risk
The Company's credit risk is primarily attributable to the recoverability of cash from external trade. The Company monitors cash flow as part of its' day to day control procedures. The Directors consider cash flow projections on a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary.

17. FIRST YEAR ADOPTION

The Company adopted FRS 102 Section 1A as at 01 April 2015. There were no changes to the figures previously reported under UK GAAP.

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.