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ARNBROOK INVESTMENTS LIMITED

GROUP REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2016

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REGISTERED IN SCOTLAND No. SC178697

ARNBROOK INVESTMENTS LIMITED

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ARNBROOK INVESTMENTS LIMITED

COMPANY INFORMATION

DIRECTOR	AJ O'Neill
SECRETARY	SV O'Neill
REGISTERED OFFICE	Seafield Road Longman Inverness IV1 1SG
REGISTERED NUMBER	SC178697
AUDITOR	Scott-Moncrieff Chartered Accountants 25 Bothwell Street Glasgow G2 6NL
BANKERS	Royal Bank of Scotland Plc 29 Harbour Road Inverness IV1 1NU
SOLICITORS:	Dallas McMillan Regent Court 70 West Regent Street Glasgow G2 2QZ

STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2016

The director presents his strategic report and the financial statements of the group for the year ended 31 January 2016.

RESULTS AND DIVIDENDS

The results for the year and the financial position of the group are shown in the annexed financial statements. A dividend of £50,000 was paid during the year (2015: £nil).

REVIEW OF BUSINESS & FUTURE DEVELOPMENTS

The group engages in construction and the director expects this activity to continue for the foreseeable future.

The current year is expected to present challenges due to the continuing economic downturn in the construction sector.

KEY PERFORMANCE INDICATORS

The director regards turnover and gross profit percentage as key performance indicators. In the year under review the group's turnover decreased by 7% to £9.8million whilst gross profit percentage has increased to 22% (2015: 19%).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk affecting the continuing growth of the group is the level of competition for available work.

FIXED ASSETS

The changes in fixed assets during the year are summarised in the notes to the financial statements. The director considers that the market value of land and buildings is not less than the balance sheet value.

Signed on behalf of the board



AJ O'Neill
Director

Approved by the board on 25 October 2016

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 JANUARY 2016

The director presents his annual report and the financial statements of the group for the year ended 31 January 2016.

The information regarding the principal activity, the review of results and dividends, business and future developments, key performance indicators, principal risks and uncertainties and fixed assets is shown in the strategic report and not the director's report.

DIRECTOR

The director of the company who served during the year was AJ O'Neill.

DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing those financial statements, the director is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group will continue in business.

The director is 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 group and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and group and hence to take reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO THE AUDITOR

To the knowledge and belief of the director, there is no relevant information of which the company's auditor is unaware and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information, and to establish that the company's auditor is aware of the information.

The company's auditor has confirmed that, in its opinion, the director has taken all of the steps he ought to have taken to ensure the company's auditor is aware of all relevant information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the company since the year end.

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 JANUARY 2016 (cont'd)

AUDITOR

The auditor, Scott-Moncrieff CA, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Signed on behalf of the board



AJ O'Neill
Director

Approved by the board on 25 October 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ARNBROOK INVESTMENTS LIMITED

We have audited the financial statements of Arnbrook Investments Limited for the year ended 31 January 2016 which comprise the group Statement of Income and Retained Earnings, the group Balance Sheet, the company Balance Sheet, the group Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the group's and parent company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's and parent company's member those matters we are required to state to him in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group's and parent company's member, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITOR

As explained more fully in the director's responsibilities statement set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

BASIS FOR QUALIFIED OPINION ON FINANCIAL STATEMENTS

As disclosed in note 26 the defined benefit pension scheme of the subsidiary company closed to future accrual on 31 January 2008 and the directors have not obtained a valuation at 31 January 2016 under Financial Reporting Standard 102 employee Benefits (s28). The subsidiary company should disclose the present value of future contributions to the scheme. The latest valuation obtained in the year ended 31 January 2005 was not incorporated into the subsidiary company's financial statements and a new valuation has not been obtained since that date.

The directors obtained a full Triennial valuation of the scheme as at 1 February 2014. This valuation shows a deficit of £150,000 which is not reflected in the financial statements of the group.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ARNBROOK INVESTMENTS LIMITED (cont'd)

QUALIFIED OPINION ON FINANCIAL STATEMENTS

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 January 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

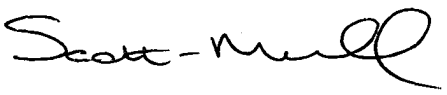
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Bernadette Higgins (Senior Statutory Auditor)
for and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
25 Bothwell Street
Glasgow
G2 6NL

Date: 25 October 2016

ARNBROOK INVESTMENTS LIMITED

GROUP STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 JANUARY 2016

	Notes	2016 £	2015 £
TURNOVER	5	9,836,993	10,548,767
Cost of sales		(7,654,643)	(8,491,958)
GROSS PROFIT		2,182,350	2,056,809
Other operating income	6	129,104	64,945
		2,311,454	2,121,754
Administrative expenses		(1,986,967)	(1,711,950)
OPERATING PROFIT	7	324,487	409,804
Interest receivable		2,965	2,723
Interest payable and similar charges	10	(6,614)	(4,654)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		320,838	407,873
Taxation	11	(67,679)	(85,424)
PROFIT FOR THE FINANCIAL YEAR		253,159	322,449
RETAINED EARNINGS AT THE BEGINNING OF THE YEAR		2,009,860	1,687,411
Profit for the year		253,159	322,449
Dividends paid in year		(50,000)	-
RETAINED EARNINGS AT THE END OF THE YEAR		2,213,019	2,009,860

CONTINUING OPERATIONS

All disclosures relate only to continuing operations.

The notes form part of these financial statements.

ARNBROOK INVESTMENTS LIMITED

GROUP BALANCE SHEET
AS AT 31 JANUARY 2016

		2016 £		2015 £	
FIXED ASSETS					
Tangible assets	12a		1,332,024		1,106,110
Investment property	12b		600,000		600,000
Investments	13		20,506		27,147
			1,952,530		1,733,257
CURRENT ASSETS					
Stocks	14	129,409		100,363	
Debtors – due within one year	15	1,120,332		894,163	
Debtors – due after one year	15	84,798		73,322	
Cash and cash equivalents	16	1,765,396		2,242,204	
		3,099,935		3,310,052	
CREDITORS					
Amounts falling due within one year	17	(2,594,408)		(2,962,847)	
NET CURRENT ASSETS			505,527		347,205
TOTAL ASSETS LESS CURRENT LIABILITIES			2,458,057		2,080,462
CREDITORS					
Amounts falling due more than one year	18		(153,862)		(29,127)
Provision for liabilities	21		(65,976)		(16,275)
NET ASSETS			2,238,219		2,035,060
CAPITAL AND RESERVES					
Called up share capital	22		25,200		25,200
Profit and loss account	23		2,213,019		2,009,860
SHAREHOLDER'S FUNDS			2,238,219		2,035,060

The financial statements were authorised for issue by the director on 25 October 2016 and signed by:

A J O'Neill
Director

Registered number: SC178697

The notes form part of these financial statements.

ARNBROOK INVESTMENTS LIMITED

COMPANY BALANCE SHEET
AS AT 31 JANUARY 2016

		2016 £		2015 £	
FIXED ASSETS					
Tangible assets	12		1,850		3,986
Investments					
Investment in subsidiaries	13	805,921		805,921	
Investments in equity shares	13	20,506		27,147	
Investment in equity shares			826,427		833,068
CURRENT ASSETS					
Debtors – due within one year	15	93,704		122,238	
CREDITORS					
Amounts falling due within one year	17	(888,784)		(803,042)	
NET CURRENT LIABILITIES			(795,080)		(680,804)
TOTAL ASSETS LESS CURRENT LIABILITIES			33,197		156,250
Provision for liabilities	21		(130)		(530)
NET ASSETS			33,067		155,720
CAPITAL AND RESERVES					
Called up share capital	22		25,200		25,200
Profit and loss account	23		7,867		130,520
SHAREHOLDER'S FUNDS			33,067		155,720

The financial statements were authorised for issue by the director on 25 October 2016 and signed by:

A J O'Neill
Director

Registered number: SC178697

The notes form part of these financial statements.

ARNBROOK INVESTMENTS LIMITED

GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2016

	2016 £	2015 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	320,838	407,873
Adjustments for:		
Depreciation of tangible fixed assets	92,612	71,272
(Profit)/loss on disposal of tangible fixed assets	(28,933)	3
Profit on realisation of secured loan	(24,877)	-
Increase in stocks	(29,046)	(10,290)
Increase in debtors	(237,645)	(517,921)
(Decrease)/increase in creditors	(441,937)	260,708
Interest received	6,614	4,654
Interest payable	(2,965)	(2,723)
Corporation tax	(69,149)	(86,787)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(414,488)	126,789
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(62,144)	(28,095)
Sale of tangible fixed assets	28,943	-
Interest element of hire purchase payments	(6,614)	(4,654)
Interest received	2,965	2,723
NET CASH USED IN INVESTING ACTIVITIES	(36,850)	(30,026)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance leases	(92,730)	(64,222)
Realisation of secured loan	31,518	-
Dividends paid	(50,000)	-
NET CASH USED IN FINANCING ACTIVITIES	(111,212)	(64,222)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(562,550)	32,541
Cash and cash equivalents at beginning of year	1,439,162	1,406,621
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	876,612	1,439,162
CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	1,765,396	2,242,204
Bank overdraft	(888,784)	(803,042)
	876,612	1,439,162

The notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 JANUARY 2016

1. GENERAL INFORMATION

The company is a United Kingdom private company limited by shares. It is both incorporated and domiciled in Scotland. Its registered number is SC178697. The address of its registered office is Seafield Road, Longman, Inverness, IV1 1SG. The financial statements are presented in pounds sterling (GBP).

The group's principal activity is construction and the director expects this activity to continue for the foreseeable future.

2. STATEMENT OF COMPLIANCE

The financial statements are the group's first financial statements prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) issued by the Financial Reporting Council and the Companies Act 2006. The company's date of transition to FRS 102 is 1 February 2014.

Before 1 February 2014 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102, as issued by the Financial Reporting Council, and referred to below as 'previous UK GAAP'. Information on the impact of first-time adoption of FRS 102 is given in note 31 to these financial statements.

3. ACCOUNTING POLICIES

Introduction and accounting basis

The consolidated financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) issued by the Financial Reporting Council and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the group's accounting policies (see note 4).

Going concern

The group has sufficient cash reserves and net assets to ensure that it can remain in operational existence for a period of at least 12 months from the date that these financial statements have been approved. As a consequence it is deemed appropriate to have these financial statements prepared on a going concern basis.

Preparation of group financial statements

The group financial statements consolidate on a line by line basis the accounts of Arnbrook Investments Limited and its subsidiary undertaking. No Statement of Income and Retained Earnings is presented for Arnbrook Investments Limited as permitted by section 408 of the Companies Act 2006. When a subsidiary is acquired during the year, its results are included in the Statement of Income and Retained Earnings from the date of acquisition.

3. ACCOUNTING POLICIES (cont'd)

Revenue

Revenue from a contract to provide services is recognised based on the proportion of the service provided during the year at the transaction price received or receivable, excluding discounts and value added taxes.

Revenue from a construction contract is recognised as the value of work done in the year based on surveyors' valuations of the work performed to date. If a surveyor's valuation is not available, the group only recognise income to the extent of any contract costs that it is probable will be recoverable. These costs must also be recognised in the period that they are incurred.

The group will recognise as an expense immediately any costs whose recovery is not probable. When it is probable that total contract costs will exceed total contract revenue on a construction contract, the value of the expected loss is included as an expense immediately.

Other operating income

Other operating income is recognised when it becomes receivable.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on plant, equipment and vehicles at rates between 12.5% and 33.33% calculated to write off the full cost of the assets by equal annual instalments over their estimated useful lives taking account of their residual values. The land element of heritable property is not depreciated. Buildings are estimated to have a useful life in excess of 50 years and are subject to an annual impairment review.

Investment properties

Investment properties are industrial units and office premises leased to third parties. Investment properties are valued annually by reference to yields achieved on similar properties in the Inverness area.

Investments

Investments are stated at cost less provision for diminution in value if such diminution is deemed to be permanent.

3. ACCOUNTING POLICIES (cont'd)

Stock and work in progress

Raw materials and consumables are stated at the lower of cost and net realisable value. The net realisable value of construction work in progress, which includes attributable profit on contracts and is determined on the basis of measured work to the balance sheet date, is included in debtors. Deductions are made for net foreseeable losses and progress payments received. Payments received in excess of net realisable value on a contract are included in creditors.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

Deferred tax is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts are capitalised in the Balance Sheet and are depreciated over their useful lives. The interest element of the rental obligation is charged to the Statement of Income and Retained Earnings over the period of the hire. Rentals paid under operating leases are charged against income as incurred.

The group has applied the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to continue to be charged over the period to the first market rent review rather than the term of the lease.

Operating leases: the group as lessor

Rental income from operating leases is credited to the Statement of Income and Retained Earnings on a straight line basis over the term of the relevant lease. Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Debtors

Short term debtors are measured at transaction price, less any impairment. Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

3. ACCOUNTING POLICIES (cont'd)

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and at are readily convertible to known amounts of cash with insignificant risk of change in value.

Financial Instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the amount recoverable, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date. Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

Creditors

Short term creditors are measured at the transaction price allowing for any trade discount due.

3. ACCOUNTING POLICIES (cont'd)

Pensions

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the group in independently administered funds.

4. JUDGEMENTS IN APPLYING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors are satisfied that accounting policies are appropriate and applied consistently. Key sources of accounting estimation have been applied to the depreciation rates which are deemed to be appropriate for the class of assets, the provision of bad debts based on the directors' expectations of likely receipts after the year end, the calculation of the provision required for remedials and the valuation of work in progress based on surveyors' valuations of work performed at the end of each accounting period.

5. ANALYSIS OF TURNOVER

	2016 £	2015 £
Turnover	9,836,993	10,548,767
	9,836,993	10,548,767

All turnover arose within the United Kingdom.

6. OTHER OPERATING INCOME

	2016 £	2015 £
Rent received	100,171	64,945
Profit on disposal of fixed assets	28,933	-
	129,104	64,945

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 JANUARY 2016

7. OPERATING PROFIT

	2016 £	2015 £
This is stated after charging:		
Auditor's remuneration – audit fee	18,340	18,225
Auditor's remuneration – non-audit fees	1,350	1,345
Depreciation of owned assets	66,251	53,375
Depreciation of assets held on hire purchase	26,361	17,897
Hire of plant and machinery	347,148	300,010
Operating lease payments	33,706	32,875
(Gain)/Loss on sale of fixed assets	(28,933)	3
Defined contribution pension cost	85,242	71,144
Defined benefit pension cost	74,451	67,985

8. EMPLOYEE INFORMATION

	2016 £	2015 £
Staff costs:		
Wages and salaries	2,483,026	2,253,215
Social security costs	246,720	222,484
Defined contribution pension cost	85,242	71,144
Defined benefit pension cost	74,451	67,985
	2,889,439	2,614,828

The average number of persons employed during the year, including executive directors, was made up as follows:-

	2016 Number	2015 Number
Operatives	49	45
Office and management	24	24
	73	69

9. DIRECTOR'S REMUNERATION

	2016 £	2015 £
Emoluments	103,391	18,156

Key management personnel are deemed to be the director as disclosed above.

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
On obligations under hire purchase	6,614	4,654

11. TAXATION

	2016 £	2015 £
UK corporation tax	17,978	69,149
Deferred tax change	49,701	16,275
	67,679	85,424
The tax assessed for the year differs from the standard rate of tax as follows:-		
Profit on ordinary activities before tax	320,838	407,873
Profit on ordinary activities at standard rate of tax of 20% (2015: 21.32%)	64,168	86,971
Expenses not deductible for tax purposes	3,525	790
(Capital allowances in excess of depreciation)/ depreciation in excess of capital allowances	(49,701)	(25,259)
Other short term timing differences	(14)	(25)
Utilisation of tax losses and other timing differences	-	(8,216)
Marginal relief	-	(1,387)
Deferred tax – timing differences	49,701	16,275
	67,679	69,149

12a. TANGIBLE FIXED ASSETS

	Heritable Property £	Plant and Equipment £	Motor Vehicles £	Total £
GROUP				
Cost or valuation				
At 1 February 2015	874,287	649,342	510,200	2,033,829
Additions	-	103,621	214,915	318,536
Disposals	-	(86,672)	(97,771)	(184,443)
At 31 January 2016	874,287	666,291	627,344	2,167,922
Depreciation				
At 1 February 2015	-	586,453	341,266	927,719
Provision for the year	-	29,114	63,498	92,612
Adjustments for disposals	-	(86,664)	(97,769)	(184,433)
At 31 January 2016	-	528,903	306,995	835,898
Net book value				
At 31 January 2016	874,287	137,388	320,349	1,332,024
At 31 January 2015	874,287	62,889	168,934	1,106,110

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 JANUARY 2016

12a. TANGIBLE FIXED ASSETS (cont'd)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:-

	2016 £	2015 £
Plant and machinery	39,082	13,125
Motor vehicles	241,289	94,397
	280,371	107,522

COMPANY	Plant and equipment £
Cost or valuation	
At 1 February 2015 and 31 January 2016	15,703
Depreciation	
At 1 February 2015	11,717
Provision for the year	2,136
At 31 January 2016	13,853
Net book value	
At 31 January 2016	1,850
At 31 January 2015	3,986

12b. INVESTMENT PROPERTY

GROUP AND COMPANY	Freehold investment property £
Cost or valuation	
At 1 February 2015 and 31 January 2016	600,000

The fair value of the investment property at 31 January 2016 has been arrived at using yield as a basis on passing rentals following consideration of yields achieved on similar properties in the Inverness area.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 JANUARY 2016

13. INVESTMENTS	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Other investments at cost	20,506	27,147	20,506	27,147
Investment in subsidiary at cost	-	-	805,921	805,921
Total Investment at cost	20,506	27,147	826,427	833,068

Other investments comprise loans due to the group which are secured over residential properties. A loan is repayable when a property is sold.

The investment in subsidiary comprises a 100% holding in the ordinary share capital of McGregor Construction (Highlands) Limited, a company incorporated in Great Britain and engaged in construction.

14. STOCKS	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Raw materials and consumables	129,409	100,363	-	-

Stock recognised in cost of sales during the year as an expense was £1,748,277 (2015: £1,900,759).

An impairment loss of £12,000 (2015: £12,000) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

15. DEBTORS	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Amounts falling due within one year				
Amounts recoverable on contracts	937,143	647,730	-	-
Trade debtors	62,827	189,435	-	-
Prepayments and accrued income	40,103	43,498	-	-
Amounts due from subsidiary	-	-	93,704	122,238
Other debtors	80,259	13,500	-	-
	1,120,332	894,163	93,704	122,238
Amounts falling due after more than one year				
Amounts recoverable on contracts	84,798	73,322	-	-

16. CASH AND CASH EQUIVALENTS	2016 £	2015 £
Group and company		
Balances held in current accounts	837,541	637,932
Balances held in deposit accounts	927,855	1,604,270
	1,765,396	2,242,202

17. CREDITORS: Amounts falling due within one year	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank overdraft	888,784	803,042	888,784	803,042
Trade creditors	1,442,111	1,873,841	-	-
Obligations under hire purchase contracts	74,837	35,910	-	-
Other taxation and social security costs	63,242	86,821	-	-
Accruals	107,456	94,084	-	-
Corporation tax	17,978	69,149	-	-
	2,594,408	2,962,847	888,784	803,042
Secured creditors	963,621	838,952	888,784	803,042

Included within accruals at the year end are outstanding pension contributions of £13,223 (2015: £8,592).

The bank has an unlimited inter-company guarantee by the parent company and the subsidiary supported by a bond and floating charge over both companies and a standard security by the subsidiary over property owned by it.

18. CREDITORS: Amounts falling due more than one year	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Obligations under hire purchase contracts	153,862	29,127	-	-
Secured creditors	153,862	29,127	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 JANUARY 2016

19. FINANCIAL INSTRUMENTS

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Financial Assets				
Bank current accounts and cash at bank	1,765,396	2,242,202	1,765,396	2,242,202
Financial assets measured at amortised cost	1,165,027	923,987	93,704	122,238
Financial Liabilities				
Financial liabilities measured at amortised cost	2,667,050	2,836,004	888,784	803,042

Financial assets measured at amortised cost comprise trade debtors, other debtors, amounts recoverable on long term contracts and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise bank overdraft, trade creditors, amounts owed to group undertakings, accruals and obligations under hire purchase contracts.

20. HIRE PURCHASE AND FINANCE LEASES

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Amounts are due within the following periods:-				
Within one year	74,837	35,910	-	-
Between one and two years	71,876	15,906	-	-
Between two and five years	81,986	13,221	-	-
	228,699	65,037	-	-

21. PROVISION FOR LIABILITIES

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Deferred tax provided in the accounts:				
Accelerated capital allowances	67,820	17,454	162	566
Short term timing differences	(1,844)	(1,179)	(32)	(36)
	65,976	16,275	130	530

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 JANUARY 2016

22. CALLED UP SHARE CAPITAL	2016 £	2015 £
Allotted, called up and fully paid		
25,200 ordinary shares of £1 each	25,200	25,200

Ordinary shares are non-redeemable and one vote can be cast per share.

23. RESERVES

Profit and loss account
The profit and loss account includes all current and prior year retained profits or losses.

24. DIVIDEND	2016 £	2015 £
A dividend in respect of the year ended 31 January 2016 of 198.413p (2015: £nil) per all ordinary shares	50,000	-

25. CONTINGENT LIABILITIES

Guarantee bonds have been issued by a bondsman on behalf of the subsidiary company. In consideration of this there is a floating charge on the assets of the subsidiary and a general agreement of indemnity by each of the group companies in favour of the bondsman.

26. PENSION SCHEME

For a number of years the subsidiary company has operated a pension scheme providing benefits based on final pensionable salary. That scheme closed to future accrual on 31 January 2008. As the scheme is governed by trust deed, the scheme's assets are held separately from those of the subsidiary company. On 1 February 2006 a replacement scheme for former active members of the old scheme was introduced and benefits are money purchase based. Both the subsidiary company and member employees contribute to this new scheme.

The last completed triennial actuarial valuation of the old scheme was carried out as at 1 February 2014. On that date the value of the scheme assets was £8.067m and the value of liabilities was £8.217m, giving a funding level of 98%. The principal assumptions used in the valuation were as follows:

Discount interest rate (pre-retirement)	5.75%
Discount interest rate (post-retirement)	5.75%
PPI Inflation increases	3.00%

Post retirement pensions accrued in respect of service after 6 April 1997 are increased in line with RPI subject to a maximum of 5.0% per annum.

26. PENSION SCHEME (cont'd)

The directors felt that a valuation under Financial Reporting Standard 102 section 28 at the statement of financial position date would not provide an accurate or relevant summary of the funding position of the scheme. Therefore a FRS 102 s28 valuation was not carried out.

The subsidiary company continues to make contributions to the closed scheme in line with the Schedule of Contributions as certified by the scheme actuary.

During the year, the pension costs charged to the Statement of Income and Retained Earnings in respect of the defined contribution scheme and the contributions to the closed scheme of the subsidiary company were £159,693 (2015: £139,129).

27. COMMITMENTS UNDER OPERATING LEASES

At 31 January 2016 the group had future minimum payments under non-cancellable operating leases as follows:-

	Other 2016 £	Restated Other 2015 £
Not later than one year	29,864	21,204
Later than one year and not later than five years	38,792	23,989
	68,656	45,193

28. FUTURE OPERATING LEASE INCOME

At 31 January 2016 the group was due future minimum income under non-cancellable operating leases as follows:-

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Land and buildings				
Not later than one year	65,519	-	-	-
Later than one year and not later than two years	56,520	-	-	-
Later than two years and not later than five years	150,000	-	-	-
Later than five years	220,833	-	-	-
	492,872	-	-	-

29. RELATED PARTIES

As permitted under FRS 102, transactions with other companies in the group have not been disclosed as related party transactions.

The group has previously carried out work on behalf of Alan O'Neill, director, on normal commercial terms. The balance at the year-end due to the group is £54,000 (2015: £54,000) which is included in amounts recoverable on contracts.

30. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Alan O'Neill, director, due to his owning 100% of the issued share capital in the company.

31. TRANSITION TO FRS102

The accounting policies applied under the group's previous accounting framework are not materially different to FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and have not impacted on equity or profit or loss.