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HAMILTON ROSS HOLDINGS LIMITED
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011

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COMPANIES HOUSE

Milne Craig
Chartered accountants
Registered auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

HAMILTON ROSS HOLDINGS LIMITED

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FOR THE YEAR ENDED 28 FEBRUARY 2011**

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HAMILTON ROSS HOLDINGS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 28 FEBRUARY 2011

DIRECTORS: Bryce Smith
Eric Hay MacLeod Gardiner

SECRETARY: Bryce Smith

REGISTERED OFFICE: 171 St. Leonard Street
Lanark
Lanarkshire
ML11 7DZ

REGISTERED NUMBER: SC281166

AUDITORS: Milne Craig
Chartered accountants
Registered auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

BANKERS: Clydesdale Bank PLC
Dunn Square
1 Causeyside Street
Paisley
Renfrewshire
PA1 1BH

SOLICITORS: Biggart Baillie & Gifford
Dalmore House
310 St Vincent Street
Glasgow
G2 5QR

HAMILTON ROSS HOLDINGS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 28 FEBRUARY 2011

The directors present their report with the financial statements of the company and the group for the year ended 28 February 2011.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the distribution, sale and repair of motor vehicles and agricultural machinery.

REVIEW OF BUSINESS

In view of the current agricultural climate the development of the business of the group during the year and its position at the end of the year are considered reasonable.

The key financial highlights are as follows:

	2011	2010	2009
Turnover growth	(1.2%)	11%	-3%
Loss before tax	69,280	(62,564)	102,192

The net assets of the group have increased from £5,870,451 at 28th February 2010 to £5,947,354 at 28th February 2011.

DIVIDENDS

No dividends will be distributed for the year ended 28 February 2011.

FUTURE DEVELOPMENTS

The directors aim to follow management policies which will enhance the normal activities of the business.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 March 2010 to the date of this report.

Bryce Smith
Eric Hay MacLeod Gardiner

GROUP'S POLICY ON PAYMENT OF CREDITORS

It is the group's policy that payments to suppliers are made in accordance with those terms and conditions agreed between group companies and its suppliers, provided that all trading terms and conditions have been complied with.

FINANCIAL INSTRUMENTS

The company's principal financial instruments comprise bank balances, trade creditors and loans to group undertakings. The main purpose of these instruments is to finance the company's operations.

Loans to group undertakings are interest free and will only be repaid as cashflow allows.

Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the monitoring of amounts outstanding.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive pressure has increased in the marketplace and margins remain under pressure.

The directors seek to control overhead costs in order to maintain the profitability of the company.

ENVIRONMENT

The company recognises the importance of its environmental responsibilities, and has policies in place to manage its impact on the environment.

HAMILTON ROSS HOLDINGS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 28 FEBRUARY 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Milne Craig, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Eric Hay MacLeod Gardiner - Director

18 November 2011

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAMILTON ROSS HOLDINGS LIMITED

We have audited the financial statements of Hamilton Ross Holdings Limited for the year ended 28 February 2011 on pages five to twenty one. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, 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 company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 28 February 2011 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 Report of the Directors 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

S C MacLeod

Mrs S MacLeod (Senior Statutory Auditor)
for and on behalf of Milne Craig
Chartered accountants
Registered auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

18 November 2011

HAMILTON ROSS HOLDINGS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2011

	Notes	2011 £	2010 £
TURNOVER		25,561,682	25,781,880
Cost of sales		21,855,115	21,992,841
GROSS PROFIT		3,706,567	3,789,039
Administrative expenses		3,616,838	3,810,837
		89,729	(21,798)
Other operating income		8,508	9,038
OPERATING PROFIT/(LOSS)	3	98,237	(12,760)
Interest receivable and similar income		16,707	8,299
		114,944	(4,461)
Interest payable and similar charges	4	45,664	58,103
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		69,280	(62,564)
Tax on profit/(loss) on ordinary activities	5	15,288	6,310
PROFIT/(LOSS) FOR THE FINANCIAL YEAR FOR THE GROUP		53,992	(68,874)

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

HAMILTON ROSS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 28 FEBRUARY 2011**

	2011 £	2010 £
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	53,992	(68,874)
Revaluation of property	<u>22,911</u>	<u>-</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>76,903</u></u>	<u><u>(68,874)</u></u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 28 FEBRUARY 2011**

	2011 £	2010 £
REPORTED PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	69,280	(62,564)
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount	<u>(14,337)</u>	<u>34,412</u>
HISTORICAL COST PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	<u><u>54,943</u></u>	<u><u>(28,152)</u></u>
HISTORICAL COST PROFIT/(LOSS) FOR THE YEAR RETAINED AFTER TAXATION	<u><u>39,655</u></u>	<u><u>(34,462)</u></u>

The notes form part of these financial statements

HAMILTON ROSS HOLDINGS LIMITED

**CONSOLIDATED BALANCE SHEET
28 FEBRUARY 2011**

	Notes	2011 £	2010 £
FIXED ASSETS			
Intangible assets	7	-	-
Tangible assets	8	2,192,372	2,116,247
Investments	9	-	-
		<u>2,192,372</u>	<u>2,116,247</u>
CURRENT ASSETS			
Stocks	10	4,199,655	4,217,253
Debtors	11	2,729,159	2,402,512
Cash at bank and in hand		122,133	431,368
		<u>7,050,947</u>	<u>7,051,133</u>
CREDITORS			
Amounts falling due within one year	12	2,964,148	3,008,538
NET CURRENT ASSETS		<u>4,086,799</u>	<u>4,042,595</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,279,171</u>	<u>6,158,842</u>
CREDITORS			
Amounts falling due after more than one year	13	(312,680)	(263,307)
PROVISIONS FOR LIABILITIES	17	(19,137)	(25,084)
NET ASSETS		<u><u>5,947,354</u></u>	<u><u>5,870,451</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	65,366	65,366
Share premium	19	401,859	401,859
Revaluation reserve	19	1,382,577	1,359,666
Capital redemption reserve	19	128,768	128,768
Profit and loss account		3,968,784	3,914,792
SHAREHOLDERS' FUNDS	20	<u><u>5,947,354</u></u>	<u><u>5,870,451</u></u>

The financial statements were approved by the Board of Directors on 18 November 2011 and were signed on its behalf by:



Eric Hay MacLeod Gardiner - Director

The notes form part of these financial statements

HAMILTON ROSS HOLDINGS LIMITED

**COMPANY BALANCE SHEET
28 FEBRUARY 2011**

	Notes	2011 £	2010 £
FIXED ASSETS			
Intangible assets	7	-	-
Tangible assets	8	-	-
Investments	9	502,894	502,894
		<u>502,894</u>	<u>502,894</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>502,894</u>	<u>502,894</u>
CAPITAL AND RESERVES			
Called up share capital	18	65,366	65,366
Profit and loss account		437,528	437,528
		<u>502,894</u>	<u>502,894</u>
SHAREHOLDERS' FUNDS	20	<u>502,894</u>	<u>502,894</u>

The financial statements were approved by the Board of Directors on 18 November 2011 and were signed on its behalf by:



Eric Hay MacLeod Gardiner - Director

HAMILTON ROSS HOLDINGS LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2011

	Notes	2011 £	2010 £
Net cash (outflow)/inflow from operating activities	1	(71,744)	671,831
Returns on investments and servicing of finance	2	(28,957)	(49,804)
Taxation		4,085	(40,853)
Capital expenditure	2	(285,814)	16,795
		(382,430)	597,969
Financing	2	73,195	(112,287)
(Decrease)/Increase in cash in the period		(309,235)	485,682
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/Increase in cash in the period		(309,235)	485,682
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		(73,195)	112,287
Change in net debt resulting from cash flows		(382,430)	597,969
Movement in net debt in the period		(382,430)	597,969
Net debt at 1 March		(11,040)	(609,009)
Net debt at 28 February		(393,470)	(11,040)

The notes form part of these financial statements

HAMILTON ROSS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2011

1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit/(loss)	98,237	(12,760)
Depreciation charges	250,978	261,959
Profit on disposal of fixed assets	(18,376)	(26,910)
Decrease in stocks	17,598	648,939
Increase in debtors	(326,647)	(50,430)
Decrease in creditors	(93,534)	(148,967)
Net cash (outflow)/inflow from operating activities	<u>(71,744)</u>	<u>671,831</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	16,707	8,299
Interest paid	(30,702)	(40,146)
Interest element of hire purchase payments	(14,962)	(17,957)
Net cash outflow for returns on investments and servicing of finance	<u>(28,957)</u>	<u>(49,804)</u>
Capital expenditure		
Purchase of tangible fixed assets	(334,016)	(160,049)
Sale of tangible fixed assets	48,202	176,844
Net cash (outflow)/inflow for capital expenditure	<u>(285,814)</u>	<u>16,795</u>
Financing		
Loan repayments in year	(50,000)	(50,000)
Capital repayments in year	123,195	(62,287)
Net cash inflow/(outflow) from financing	<u>73,195</u>	<u>(112,287)</u>

HAMILTON ROSS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2011

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.3.10 £	Cash flow £	At 28.2.11 £
Net cash:			
Cash at bank and in hand	431,368	(309,235)	122,133
	<u>431,368</u>	<u>(309,235)</u>	<u>122,133</u>
Debt:			
Hire purchase	(284,075)	(123,195)	(407,270)
Debts falling due within one year	(50,000)	-	(50,000)
Debts falling due after one year	(108,333)	50,000	(58,333)
	<u>(442,408)</u>	<u>(73,195)</u>	<u>(515,603)</u>
Total	<u>(11,040)</u>	<u>(382,430)</u>	<u>(393,470)</u>

The notes form part of these financial statements

HAMILTON ROSS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2011

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and are in accordance with applicable accounting standards.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill is the difference between the fair value of the consideration given on the acquisition of a business and the aggregate fair value of the separable net assets required. It is being amortised through the profit and loss account in equal annual instalments over its estimated economic life of 5 years.

Tangible fixed assets

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

Freehold property	- 3% on cost
Plant and machinery	- 20% on cost, 12.5% on cost and 10% on cost
Fixtures and fittings	- 10% on cost and 5% on cost
Motor vehicles	- at varying rates on cost
Computer equipment	- 20% on cost

Stocks

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that the timing difference will reverse.

Deferred taxation assets are only recognised if recovering without replacement by equivalent debit balances is reasonably certain.

Hire purchase and leasing commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the assets have, passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital element of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet. The interest element of the rental obligations is charged to the profit and loss account over the periods of the lease and hire purchase contracts, and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

The company operates a Group Personal Pension Scheme to which employers contributions are set. The overall contribution paid by the employer is therefore known and is a fixed percentage of the total salary roll for each given year.

HAMILTON ROSS HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2011**

2. STAFF COSTS

	2011 £	2010 £
Wages and salaries	1,935,966	2,015,435
Social security costs	209,431	210,628
Other pension costs	59,734	42,567
	<u>2,205,131</u>	<u>2,268,630</u>

The average monthly number of employees during the year was as follows:

	2011	2010
Office and management	53	56
Mechanics, counter staff and forecourt	57	63
	<u>110</u>	<u>119</u>

3. OPERATING PROFIT/(LOSS)

The operating profit (2010 - operating loss) is stated after charging/(crediting):

	2011 £	2010 £
Depreciation - owned assets	139,202	191,642
Depreciation - assets on hire purchase contracts	111,776	70,319
Profit on disposal of fixed assets	(18,376)	(26,910)
Auditors' remuneration	21,400	24,400
	<u>159,788</u>	<u>164,383</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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4. INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Bank interest	28,055	35,937
Bank loan interest	2,647	4,174
Interest on corporation tax	-	35
Hire purchase	14,962	17,957
	<u>45,664</u>	<u>58,103</u>

HAMILTON ROSS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 28 FEBRUARY 2011

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2011 £	2010 £
Current tax:		
UK corporation tax	25,320	-
Adjustments in respect of previous periods	(4,085)	198
Total current tax	21,235	198
Deferred tax	(5,947)	6,112
Tax on profit/(loss) on ordinary activities	15,288	6,310

6. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £0 (2010 - £0).

7. INTANGIBLE FIXED ASSETS

Group

COST

At 1 March 2010
and 28 February 2011

Goodwill
£

62,114

AMORTISATION

At 1 March 2010
and 28 February 2011

62,114

NET BOOK VALUE

At 28 February 2011

-

At 28 February 2010

-

HAMILTON ROSS HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2011**

8. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST OR VALUATION			
At 1 March 2010	1,899,350	619,951	255,742
Additions	-	23,572	3,604
Disposals	-	(775)	-
Revaluations	(352,061)	-	-
At 28 February 2011	1,547,289	642,748	259,346
DEPRECIATION			
At 1 March 2010	366,741	525,813	233,388
Charge for year	8,231	38,832	9,062
Eliminated on disposal	-	(775)	-
Revaluation adjustments	(374,972)	-	-
At 28 February 2011	-	563,870	242,450
NET BOOK VALUE			
At 28 February 2011	1,547,289	78,878	16,896
At 28 February 2010	1,532,609	94,138	22,354
	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION			
At 1 March 2010	996,991	173,601	3,945,635
Additions	298,667	8,173	334,016
Disposals	(141,099)	-	(141,874)
Revaluations	-	-	(352,061)
At 28 February 2011	1,154,559	181,774	3,785,716
DEPRECIATION			
At 1 March 2010	579,026	124,418	1,829,386
Charge for year	179,013	15,840	250,978
Eliminated on disposal	(111,273)	-	(112,048)
Revaluation adjustments	-	-	(374,972)
At 28 February 2011	646,766	140,258	1,593,344
NET BOOK VALUE			
At 28 February 2011	507,793	41,516	2,192,372
At 28 February 2010	417,965	49,183	2,116,249

HAMILTON ROSS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 28 FEBRUARY 2011

8. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 28 February 2011 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £
Valuation in 2006	1,147,067	-	-
Valuation in 2011	(352,061)	-	-
Cost	752,283	642,748	259,346
	<u>1,547,289</u>	<u>642,748</u>	<u>259,346</u>
	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2006	-	-	1,147,067
Valuation in 2011	-	-	(352,061)
Cost	1,154,559	181,774	2,990,710
	<u>1,154,559</u>	<u>181,774</u>	<u>3,785,716</u>

If land and buildings had not been revalued they would have been included at the following historical cost:

	2011 £	2010 £
Cost	<u>752,283</u>	<u>752,283</u>

Land and buildings were valued on a market value basis on 31 March 2010 by the company directors..

The net book value of tangible fixed assets includes £262,082 (2010 - £258,293) in respect of assets held under hire purchase contracts.

9. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 March 2010 and 28 February 2011	<u>502,894</u>
NET BOOK VALUE	
At 28 February 2011	<u>502,894</u>
At 28 February 2010	<u>502,894</u>

HAMILTON ROSS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 28 FEBRUARY 2011

9. FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries

Daniel Ross (Engineers) Ltd

Country of incorporation: Scotland

Nature of business: Motor and agricultural machinery dealer

	% holding
Class of shares:	
Ordinary £1 shares	100.00

	2011 £	2010 £
Aggregate capital and reserves	2,701,776	3,298,300
Loss for the year	(166,524)	(231,844)

Hamilton Brothers (Engineering) Ltd

Country of incorporation: Scotland

Nature of business: Sale and repair of agricultural machinery

	% holding
Class of shares:	
Ordinary £1 shares	100.00

	2011 £	2010 £
Aggregate capital and reserves	3,245,580	2,572,236
Profit for the year	220,433	163,057

10. STOCKS

	Group	
	2011 £	2010 £
Stocks	848,441	804,667
Work-in-progress	3,664	6,111
Finished goods	3,347,550	3,406,475
	<u>4,199,655</u>	<u>4,217,253</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2011 £	2010 £
Trade debtors	2,632,677	2,287,281
Other debtors	65,829	88,618
Prepayments	30,653	26,613
	<u>2,729,159</u>	<u>2,402,512</u>

HAMILTON ROSS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 28 FEBRUARY 2011

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2011	2010
	£	£
Bank loans and overdrafts (see note 14)	50,000	50,000
Hire purchase contracts (see note 15)	152,923	129,101
Trade creditors	1,392,098	1,538,965
Corporation tax	25,320	-
Social security and other taxes	162,125	205,449
Accrued expenses	1,181,682	1,085,023
	<u>2,964,148</u>	<u>3,008,538</u>

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

	Group	
	2011	2010
	£	£
Bank loans (see note 14)	58,333	108,333
Hire purchase contracts (see note 15)	254,347	154,974
	<u>312,680</u>	<u>263,307</u>

14. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2011	2010
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>50,000</u>	<u>50,000</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>50,000</u>	<u>50,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>8,333</u>	<u>58,333</u>

HAMILTON ROSS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 28 FEBRUARY 2011

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

Group

	Hire purchase contracts	
	2011	2010
	£	£
Gross obligations repayable:		
Within one year	169,904	145,167
Between one and five years	288,521	179,997
	<u>458,425</u>	<u>325,164</u>
Finance charges repayable:		
Within one year	16,981	16,066
Between one and five years	34,174	25,023
	<u>51,155</u>	<u>41,089</u>
Net obligations repayable:		
Within one year	152,923	129,101
Between one and five years	254,347	154,974
	<u>407,270</u>	<u>284,075</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2011	2010
	£	£
Bank loans	108,333	158,333
Hire purchase contracts	407,270	284,075
	<u>515,603</u>	<u>442,408</u>

The bank overdraft facility is secured by a floating charge over the assets of the company and by the group facility letters held.

The bank loan is secured by a bond and floating charge over all of the assets and undertakings, an unlimited inter company guarantee by Daniel Ross (Engineers) Limited and Hamilton Brothers (Engineering) Limited and a standard security over the property situated at 171 St Leonard Street, Lanark.

Hire purchase creditors are secured over the asset to which they relate.

17. PROVISIONS FOR LIABILITIES

	Group	
	2011	2010
	£	£
Deferred tax	<u>19,137</u>	<u>25,084</u>

HAMILTON ROSS HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2011**

17. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1 March 2010	25,084
Movement in year	(5,947)
Balance at 28 February 2011	<u>19,137</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2011 £	2010 £
65,366	Ordinary	£1	<u>65,366</u>	<u>65,366</u>

19. RESERVES

Group

	Profit and loss account £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 March 2010	3,914,792	401,859	1,359,666	128,768	5,805,085
Profit for the year	53,992				53,992
Revaluation in year	-	-	22,911	-	22,911
At 28 February 2011	<u>3,968,784</u>	<u>401,859</u>	<u>1,382,577</u>	<u>128,768</u>	<u>5,881,988</u>

Company

	Profit and loss account £
At 1 March 2010	437,528
Profit for the year	-
At 28 February 2011	<u>437,528</u>

HAMILTON ROSS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 28 FEBRUARY 2011

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2011 £	2010 £
Profit/(Loss) for the financial year	53,992	(68,874)
Other recognised gains and losses relating to the year (net)	22,911	-
Net addition/(reduction) to shareholders' funds	76,903	(68,874)
Opening shareholders' funds	5,870,451	5,939,325
Closing shareholders' funds	5,947,354	5,870,451

Company

	2011 £	2010 £
Profit for the financial year	-	-
Acquisition of shares in subsidiary	-	-
Opening shareholders' funds	502,894	502,894
Closing shareholders' funds	502,894	502,894