

HAMILTON ROSS HOLDINGS LIMITED
GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2016

Milne Craig
Chartered accountants
Statutory auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
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25/11/2016
COMPANIES HOUSE

HAMILTON ROSS HOLDINGS LIMITED

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HAMILTON ROSS HOLDINGS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 28 FEBRUARY 2016

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
Statutory auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

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

HAMILTON ROSS HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2016

The directors present their strategic report of the company and the group for the year ended 28 February 2016.

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:

	2016	2015	2014
Turnover growth	11.7%	11%	6.8%
Profit / (Loss) before tax	521,065	432,690	425,556

The net assets of the company have increased from £6,618,413 at 28th February 2015 to £6,994,123 at 28th February 2016.

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.

FUTURE DEVELOPMENTS

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

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.

ENVIRONMENT

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

ON BEHALF OF THE BOARD:



Eric Hay MacLeod Gardiner - Director

18 November 2016

HAMILTON ROSS HOLDINGS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 28 FEBRUARY 2016

The directors present their report with the financial statements of the company and the group for the year ended 28 February 2016.

DIVIDENDS

An interim dividend of 0.4668023 per share was paid on 28 February 2016. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 28 February 2016 will be £30,513.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 March 2015 to the date of this report.

Bryce Smith
Eric Hay MacLeod Gardiner

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 2016

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 2016 on pages six to twenty two. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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.

Milne Craig

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

18 November 2016

HAMILTON ROSS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2016**

	Notes	2016 £	2015 £
TURNOVER		32,168,709	28,766,032
Cost of sales		(27,393,393)	(24,267,663)
GROSS PROFIT		4,775,316	4,498,369
Administrative expenses		(4,185,158)	(4,038,435)
		590,158	459,934
Other operating income		13,790	7,099
OPERATING PROFIT	3	603,948	467,033
Interest receivable and similar income		18,961	61,687
		622,909	528,720
Interest payable and similar charges	4	(101,844)	(96,030)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		521,065	432,690
Tax on profit on ordinary activities	5	(114,842)	(90,368)
PROFIT FOR THE FINANCIAL YEAR		406,223	342,322
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		406,223	342,322
Profit attributable to: Owners of the parent		406,223	342,322
Total comprehensive income attributable to: Owners of the parent		406,223	342,322

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
28 FEBRUARY 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	2,829,690	2,842,171
Investments	10	-	-
		<u>2,829,690</u>	<u>2,842,171</u>
CURRENT ASSETS			
Stocks	11	7,449,048	7,414,763
Debtors	12	3,585,263	4,121,883
Cash at bank and in hand		213,756	41,985
		<u>11,248,067</u>	<u>11,578,631</u>
CREDITORS			
Amounts falling due within one year	13	6,624,685	7,317,190
		<u>6,624,685</u>	<u>7,317,190</u>
NET CURRENT ASSETS		<u>4,623,382</u>	<u>4,261,441</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,453,072</u>	<u>7,103,612</u>
CREDITORS			
Amounts falling due after more than one year	14	(370,475)	(404,415)
PROVISIONS FOR LIABILITIES	18	(88,474)	(80,784)
		<u>(88,474)</u>	<u>(80,784)</u>
NET ASSETS		<u><u>6,994,123</u></u>	<u><u>6,618,413</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	65,366	65,366
Share premium	20	401,859	401,859
Revaluation reserve	20	1,382,577	1,382,577
Capital redemption reserve	20	128,768	128,768
Retained earnings	20	5,015,553	4,639,843
		<u>6,994,123</u>	<u>6,618,413</u>
SHAREHOLDERS' FUNDS		<u><u>6,994,123</u></u>	<u><u>6,618,413</u></u>

The financial statements were approved by the Board of Directors on 18 November 2016 and were signed on its behalf by:



Eric Hay MacLeod Gardiner - Director

HAMILTON ROSS HOLDINGS LIMITED (REGISTERED NUMBER: SC281166)

**COMPANY STATEMENT OF FINANCIAL POSITION
28 FEBRUARY 2016**

	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	-	-
Investments	10	502,894	502,894
		<u>502,894</u>	<u>502,894</u>
CURRENT ASSETS			
Debtors	12	9,750	-
NET CURRENT ASSETS		<u>9,750</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>512,644</u>	<u>502,894</u>
CAPITAL AND RESERVES			
Called up share capital	19	65,366	65,366
Retained earnings	20	447,278	437,528
SHAREHOLDERS' FUNDS		<u>512,644</u>	<u>502,894</u>

The financial statements were approved by the Board of Directors on 18 November 2016 and were signed on its behalf by:



Eric Hay MacLeod Gardiner - Director

HAMILTON ROSS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2016**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 March 2014	65,366	4,297,521	401,859
Changes in equity			
Total comprehensive income	-	342,322	-
Balance at 28 February 2015	65,366	4,639,843	401,859
Changes in equity			
Dividends	-	(30,513)	-
Total comprehensive income	-	406,223	-
Balance at 28 February 2016	65,366	5,015,553	401,859
	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 March 2014	1,382,577	128,768	6,276,091
Changes in equity			
Total comprehensive income	-	-	342,322
Balance at 28 February 2015	1,382,577	128,768	6,618,413
Changes in equity			
Dividends	-	-	(30,513)
Total comprehensive income	-	-	406,223
Balance at 28 February 2016	1,382,577	128,768	6,994,123

The notes form part of these financial statements

HAMILTON ROSS HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2016**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 March 2014	-	437,528	437,528
Changes in equity			
Issue of share capital	65,366	-	65,366
Balance at 28 February 2015	<u>65,366</u>	<u>437,528</u>	<u>502,894</u>
Changes in equity			
Dividends	-	(30,513)	(30,513)
Total comprehensive income	-	40,263	40,263
Balance at 28 February 2016	<u><u>65,366</u></u>	<u><u>447,278</u></u>	<u><u>512,644</u></u>

The notes form part of these financial statements

HAMILTON ROSS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28 FEBRUARY 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	547,651	562,735
Interest paid		(75,836)	(59,285)
Interest element of hire purchase payments paid		(26,008)	(36,745)
Tax paid		(76,344)	(63,365)
Net cash from operating activities		<u>369,463</u>	<u>403,340</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(422,189)	(407,175)
Purchase of financed stock		444,342	229,347
Sale of financed stock		(229,347)	(391,792)
Sale of tangible fixed assets		93,571	114,103
Interest received		18,961	61,687
Net cash from investing activities		<u>(94,662)</u>	<u>(393,830)</u>
Cash flows from financing activities			
Capital repayments in year		(72,517)	114,910
Equity dividends paid		(30,513)	-
Net cash from financing activities		<u>(103,030)</u>	<u>114,910</u>
Increase in cash and cash equivalents		<u>171,771</u>	<u>124,420</u>
Cash and cash equivalents at beginning of year	2	41,985	(82,435)
Cash and cash equivalents at end of year	2	<u>213,756</u>	<u>41,985</u>

The notes form part of these financial statements

HAMILTON ROSS HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28 FEBRUARY 2016**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit before taxation	521,065	432,690
Depreciation charges	372,700	369,782
Profit on disposal of fixed assets	(31,601)	(33,271)
Finance costs	101,844	96,030
Finance income	(18,961)	(61,687)
	<u>945,047</u>	<u>803,544</u>
Increase in stocks	(34,285)	(1,361,036)
Decrease/(increase) in trade and other debtors	536,620	(974,684)
(Decrease)/increase in trade and other creditors	(899,731)	2,094,911
	<u>547,651</u>	<u>562,735</u>
Cash generated from operations	<u><u>547,651</u></u>	<u><u>562,735</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 28 February 2016

	28/2/16	1/3/15
	£	£
Cash and cash equivalents	<u>213,756</u>	<u>41,985</u>

Year ended 28 February 2015

	28/2/15	1/3/14
	£	£
Cash and cash equivalents	41,985	5,338
Bank overdrafts	-	(87,773)
	<u>41,985</u>	<u>(82,435)</u>

HAMILTON ROSS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with 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.

This is the first year in which the financial statements have been prepared under Financial Reporting Standard 102. Refer to note 23 for an explanation of the transition.

The financial statements are presented in Sterling (£).

Basis of consolidation

The group accounts consolidate the accounts of Hamilton Ross Holdings Limited and its subsidiaries, Hamilton Brothers (Engineering) Limited and Daniel Ross (Engineers) Limited.

No profit and loss account is presented for Hamilton Ross Holdings Limited as permitted by Section 408 of the Companies Act 2006.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax. Consideration is given to the point at which the company is entitled to receive the income.

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	- 33% on cost, 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 are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

HAMILTON ROSS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 28 FEBRUARY 2016

1. ACCOUNTING POLICIES - continued

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously

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 profit or loss 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.

2. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	2,211,677	2,056,476
Social security costs	243,449	227,182
Other pension costs	56,155	49,401
	<u>2,511,281</u>	<u>2,333,059</u>

HAMILTON ROSS HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2016**

2. STAFF COSTS - continued

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

	2016	2015
Office and management	50	51
Mechanics, counter staff and forecourt	66	59
	<u>116</u>	<u>110</u>

3. OPERATING PROFIT

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

	2016 £	2015 £
Depreciation - owned assets	191,702	365,605
Depreciation - assets on hire purchase contracts	180,998	4,177
Profit on disposal of fixed assets	(31,601)	(33,271)
Auditors' remuneration	18,900	20,200
	<u>184,869</u>	<u>180,899</u>
Directors' remuneration	184,869	180,899
Directors' pension contributions to money purchase schemes	4,368	4,368
	<u>4,368</u>	<u>4,368</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

	2016 £	2015 £
Other interest	75,836	59,285
Hire purchase	26,008	36,745
	<u>101,844</u>	<u>96,030</u>

5. TAXATION

Analysis of the tax charge

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

	2016 £	2015 £
Current tax:		
UK corporation tax	107,203	76,576
Adjustment in respect of previous periods	(51)	-
Total current tax	<u>107,152</u>	<u>76,576</u>
Deferred tax	7,690	13,792
Tax on profit on ordinary activities	<u>114,842</u>	<u>90,368</u>

HAMILTON ROSS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 28 FEBRUARY 2016

5. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>521,065</u>	<u>432,690</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.084% (2015 - 21.170%)	104,651	91,600
Effects of:		
Disallowed expenses and non taxable income	9,806	14,124
Deferred tax rate changes	(4,709)	(1,330)
Prior year adjustment	(51)	180
Adjustment in respect of prior years deferred tax	-	(8,953)
Marginal relief	(77)	(458)
Movement in unprovided deferred tax	(803)	(4,795)
Permanent difference	<u>6,025</u>	<u>-</u>
Total tax charge	<u>114,842</u>	<u>90,368</u>

6. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £40,263 (2015 - £0).

7. DIVIDENDS

	2016 £	2015 £
Ordinary shares of 1 each		
Interim	<u>30,513</u>	<u>-</u>

8. INTANGIBLE FIXED ASSETS

Group

Goodwill
£

COST

At 1 March 2015
and 28 February 2016

62,114

AMORTISATION

At 1 March 2015
and 28 February 2016

62,114

NET BOOK VALUE

At 28 February 2016

-

At 28 February 2015

-

HAMILTON ROSS HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2016**

9. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 March 2015	2,216,278	892,068	283,998
Additions	-	24,475	11,426
Disposals	-	(35,000)	-
At 28 February 2016	2,216,278	881,543	295,424
DEPRECIATION			
At 1 March 2015	249,173	696,781	259,694
Charge for year	67,585	50,260	3,535
Eliminated on disposal	-	(35,000)	-
At 28 February 2016	316,758	712,041	263,229
NET BOOK VALUE			
At 28 February 2016	1,899,520	169,502	32,195
At 28 February 2015	1,967,105	195,287	24,304
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 March 2015	1,389,503	195,093	4,976,940
Additions	380,269	6,019	422,189
Disposals	(298,759)	-	(333,759)
At 28 February 2016	1,471,013	201,112	5,065,370
DEPRECIATION			
At 1 March 2015	767,218	161,903	2,134,769
Charge for year	248,379	2,941	372,700
Eliminated on disposal	(236,789)	-	(271,789)
At 28 February 2016	778,808	164,844	2,235,680
NET BOOK VALUE			
At 28 February 2016	692,205	36,268	2,829,690
At 28 February 2015	622,285	33,190	2,842,171

The net book value of tangible fixed assets includes £639,730 (2015 - £666,642) in respect of assets held under hire purchase contracts.

HAMILTON ROSS HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2016**

10. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 March 2015	
and 28 February 2016	502,894
NET BOOK VALUE	
At 28 February 2016	502,894
At 28 February 2015	502,894

11. STOCKS

	Group	
	2016	2015
	£	£
Stocks	1,144,430	1,059,601
Finished goods	6,304,618	6,355,162
	<u>7,449,048</u>	<u>7,414,763</u>

At the balance sheet date unit stock includes stock to the value of £308,200 (2015: £398,048) which were held under hire purchase contracts and finance loans. All amounts become repayable on sale of the related stock items.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	3,406,892	3,972,032	-	-
Other debtors	131,856	88,492	-	-
Prepayments	46,515	61,359	9,750	-
	<u>3,585,263</u>	<u>4,121,883</u>	<u>9,750</u>	<u>-</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2016	2015
	£	£
Other loans (see note 15)	444,342	229,347
Hire purchase contracts (see note 16)	287,522	326,099
Trade creditors	2,690,742	3,342,789
Corporation tax	107,203	76,395
Social security and other taxes	166,679	98,683
Accrued expenses	2,928,197	3,243,877
	<u>6,624,685</u>	<u>7,317,190</u>

HAMILTON ROSS HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2016**

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

	Group	
	2016	2015
	£	£
Hire purchase contracts (see note 16)	370,475	404,415
	<u>370,475</u>	<u>404,415</u>

15. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2016	2015
	£	£
Amounts falling due within one year or on demand:		
Other loans	444,342	229,347
	<u>444,342</u>	<u>229,347</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2016	2015
	£	£
Gross obligations repayable:		
Within one year	314,723	348,121
Between one and five years	420,176	452,617
	<u>734,899</u>	<u>800,738</u>
Finance charges repayable:		
Within one year	27,201	22,022
Between one and five years	49,701	48,202
	<u>76,902</u>	<u>70,224</u>
Net obligations repayable:		
Within one year	287,522	326,099
Between one and five years	370,475	404,415
	<u>657,997</u>	<u>730,514</u>

HAMILTON ROSS HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2016**

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2016	2015
	£	£
Hire purchase contracts	<u>657,997</u>	<u>730,514</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.

18. PROVISIONS FOR LIABILITIES

	Group	
	2016	2015
	£	£
Deferred tax	<u>88,474</u>	<u>80,784</u>

Group	Deferred tax £
Balance at 1 March 2015	80,784
Originating and reversal of timing differences	7,347
Effect of changes in tax rate	343
Balance at 28 February 2016	<u>88,474</u>

Deferred taxation provided for at 19% (2015:20%) in the financial statements is set out below:

	2016	2015
	£	£
Accelerated capital allowances	108,714	102,358
Other timing differences	(20,240)	(21,574)
	<u>88,474</u>	<u>80,784</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016	2015
			£	£
65,366	Ordinary	1	<u>65,366</u>	<u>65,366</u>

HAMILTON ROSS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 28 FEBRUARY 2016

20. RESERVES

Group

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 March 2015	4,639,843	401,859	1,382,577	128,768	6,553,047
Profit for the year	406,223				406,223
Dividends	(30,513)				(30,513)
At 28 February 2016	<u>5,015,553</u>	<u>401,859</u>	<u>1,382,577</u>	<u>128,768</u>	<u>6,928,757</u>

Company

	Retained earnings £
At 1 March 2015	437,528
Profit for the year	40,263
Dividends	(30,513)
At 28 February 2016	<u>447,278</u>

21. PENSION COMMITMENTS

The company operates a Group Personal Pension Scheme to which employer contributions are set at 5% for qualifying employees. The overall contribution paid by the employer is therefore known and is a fixed percentage of the total salary roll at each given year.

The charge to the profit and loss account for the year ended 28th February 2016 in respect of the scheme was £63,763 (2015 -£57,009). There was £nil contributions payable to the fund at the year end (2015 : £nil).

22. ULTIMATE PARENT COMPANY

The share capital of the company's ultimate parent company, Daniel Ross (Channel Islands) Limited, is held in trust and no individual is considered by the directors to be the ultimate controlling party.

23. CONTINGENT LIABILITIES

Bank Guarantees

Cross bank guarantees exist between all group companies. The gross bank borrowing at 28th February 2016 amounted to £nil (2015: £nil). The net bank funds subject to cross guarantee amounted to £204,899

Contract Hire Agreements

Under the terms of the contract hire agreements the group, has an obligation to purchase equipment at the cessation of the agreement, at a pre agreed price, if the customer wishes to sell back.

In the opinion of the directors the guaranteed buy back values will not be greater than the market values and therefore there should be no net liability to the group arising from this obligation.

HAMILTON ROSS HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2016**

24. KEY MANAGEMENT PERSONNEL

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Total remuneration in respect of these individuals is £184,869 (2015 - £180,899).

25. FIRST YEAR ADOPTION

The adoption of FRS 102 has had no impact on the opening financial position of the company.

Transitional relief

On transition to FRS 102, the group has taken advantage of the following transitional relief:

- to use a previous GAAP revaluation as deemed cost on an item of property, plant and equipment.