

COMPANY REGISTRATION NUMBER: SC451413

Hamepark Holdings Limited
Financial Statements
30 June 2016



WILLIAMSON & DUNN
Chartered accountant & statutory auditor
3 West Craibstone Street
Aberdeen
AB11 6YW

Hamepark Holdings Limited

Financial Statements

Year ended 30 June 2016

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Hamepark Holdings Limited

Strategic Report

Year ended 30 June 2016

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Hamepark Holdings Limited continues to operate as a group holding company where it owns and leases the group's properties to its operating subsidiaries.

Its principle trading subsidiaries are Rearo Supplies Limited which supplies and distributes LPG gas to domestic and commercial customers within the Shetland Isles and Rearo Laminates Limited which manufactures a variety of laminate furniture components and sells these products for residential and commercial contracts through its network of showrooms across the UK.

The group's statement of comprehensive income is shown on page 7 of the financial statements.

There have been no dividends paid or proposed in respect of the period ended 30 June 2016.

The balance sheet on page 8 of the financial statements shows the group's financial position at the period end, which in net asset terms has increased as a result of the profits generated and being retained. The group funds its operation from within external and internal resources.

The directors are not aware of any significant event since the balance sheet date.

FUTURE DEVELOPMENTS

The group will continue to operate on a similar basis to the previous year.

KEY PERFORMANCE INDICATORS

The directors consider turnover, gross profit margin and profit before tax to be the key performance indicators of the group's strategic operational effectiveness. The continued demand for the group's services from existing clients and the continued growth in opportunities from potential and new clients is shown in the financial statements and the group's market position.

The key performance indicators for the group were as follows:

	2016	2015
Turnover (£)	9,385,143	8,845,785
Gross profit margin (%)	50	52
Profit before tax (£)	113,823	243,217

These are closely monitored using monthly management accounts and forecasting future cashflows to ensure adequate funds are available.

PRINCIPAL RISK AND UNCERTAINTIES

The group faces a variety of risks and uncertainties, both foreseeable and unforeseeable. The main risks that have been the focus of the board are: Health & Safety: Due to the nature of the group's business this is a key risk to the group's workforce.

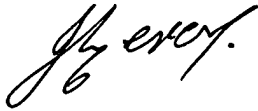
- Political risk: since the financial year end, the result of the referendum on the question of the UK's continuing membership of the European Union has become unknown. The vote has resulted in potential economic volatility affecting the fiscal, monetary and legal landscape of the UK. The company is monitoring developments to respond to the decisions being reached.

Hamepark Holdings Limited

Strategic Report *(continued)*

Year ended 30 June 2016

This report was approved by the board of directors on 16 March 2017 and signed on behalf of the board by:



Mr J Mercer
Director

Registered office:
Staneyhill Gas Depot
Staneyhill Industrial Estate
Lerwick
Shetland
United Kingdom
ZE1 0NA

Hamepark Holdings Limited

Directors' Report

Year ended 30 June 2016

The directors present their report and the financial statements of the group for the year ended 30 June 2016.

Directors

The directors who served the company during the year were as follows:

Mrs C A Mercer
Mr R G Mercer
Mr J C Mercer
Mr J Mercer

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of information in the strategic report

In accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 a strategic report on the company's results and activities has been included on pages 1 and 2 of the Financial Statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report 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 group and the company and 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 judgments 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 transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Hamepark Holdings Limited

Directors' Report *(continued)*

Year ended 30 June 2016

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 16 March 2017 and signed on behalf of the board by:



Mr J Mercer
Director

Registered office:
Staneyhill Gas Depot
Staneyhill Industrial Estate
Lerwick
Shetland
United Kingdom
ZE1 0NA

Hamepark Holdings Limited

Independent Auditor's Report to the Shareholders

Year ended 30 June 2016

We have audited the financial statements of Hamepark Holdings Limited for the year ended 30 June 2016 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 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 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 auditor

As explained more fully in the directors' responsibilities statement, 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 strategic report and the directors' report 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 30 June 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Hamepark Holdings Limited

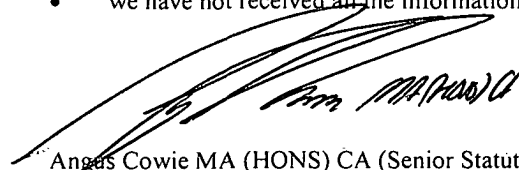
Independent Auditor's Report to the Shareholders *(continued)*

Year ended 30 June 2016

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.



Angus Cowie MA (HONS) CA (Senior Statutory Auditor)

For and on behalf of
Williamson & Dunn
Chartered accountant & statutory auditor
3 West Craibstone Street
Aberdeen
AB11 6YW

16 March 2017

Hamepark Holdings Limited

Consolidated Statement of Comprehensive Income

Year ended 30 June 2016

	Note	2016 £	2015 £
Turnover	4	9,385,143	8,845,785
Cost of sales		(4,717,950)	(4,206,781)
Gross profit		4,667,193	4,639,004
Distribution costs		(290,333)	(205,314)
Administrative expenses		(4,163,123)	(4,055,981)
Other operating income	5	49,996	13,228
Operating profit	6	263,733	390,937
Other interest receivable and similar income		7,316	3,493
Interest payable and similar charges	10	(157,226)	(151,213)
Profit on ordinary activities before taxation		113,823	243,217
Tax on profit on ordinary activities	11	(35,399)	(62,639)
Profit for the financial year		78,424	180,578
Revaluation of tangible assets		250,000	—
Reclassification from revaluation reserve to profit and loss account		100,800	—
Other comprehensive income for the year		350,800	—
Total comprehensive income for the year		429,224	180,578

All the activities of the group are from continuing operations.

The notes on pages 13 to 27 form part of these financial statements.

Hamepark Holdings Limited

Consolidated Statement of Financial Position

30 June 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	13	77,437	4,242
Tangible assets	14	3,075,753	2,707,700
Investments	15	6	6
		<u>3,153,196</u>	<u>2,711,948</u>
Current assets			
Stocks	16	1,964,794	1,762,501
Debtors	17	1,891,034	1,576,327
Cash at bank and in hand		4,269	5,120
		<u>3,860,097</u>	<u>3,343,948</u>
Creditors: amounts falling due within one year	19	<u>2,857,180</u>	<u>2,301,810</u>
Net current assets		<u>1,002,917</u>	<u>1,042,138</u>
Total assets less current liabilities		<u>4,156,113</u>	<u>3,754,086</u>
Creditors: amounts falling due after more than one year	20	1,588,873	1,633,536
Provisions	22	46,505	29,039
Net assets		<u>2,520,735</u>	<u>2,091,511</u>
Capital and reserves			
Called up share capital	26	10,000	10,000
Revaluation reserve	27	527,493	277,493
Profit and loss account	27	1,983,242	1,804,018
Shareholders funds		<u>2,520,735</u>	<u>2,091,511</u>

These financial statements were approved by the board of directors and authorised for issue on 16 March 2017, and are signed on behalf of the board by:



Mr J Mercer
Director

Company registration number: SC451413

The notes on pages 13 to 27 form part of these financial statements.

Hamepark Holdings Limited

Company Statement of Financial Position

30 June 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	14	2,481,321	2,130,521
Investments	15	10,106	10,106
		<u>2,491,427</u>	<u>2,140,627</u>
Current assets			
Debtors	17	256,792	449,567
Cash at bank and in hand		43,723	42,016
		<u>300,515</u>	<u>491,583</u>
Creditors: amounts falling due within one year	19	167,547	560,515
Net current assets/(liabilities)		<u>132,968</u>	<u>(68,932)</u>
Total assets less current liabilities		<u>2,624,395</u>	<u>2,071,695</u>
Creditors: amounts falling due after more than one year	20	1,489,111	1,598,658
Net assets		<u>1,135,284</u>	<u>473,037</u>
Capital and reserves			
Called up share capital	26	10,000	10,000
Revaluation reserve	27	527,493	-
Profit and loss account	27	597,791	463,037
Shareholders funds		<u>1,135,284</u>	<u>473,037</u>

These financial statements were approved by the board of directors and authorised for issue on 16 March 2017, and are signed on behalf of the board by:



Mr J Mercer
Director

Company registration number: SC451413

The notes on pages 13 to 27 form part of these financial statements.

Hamepark Holdings Limited

Consolidated Statement of Changes in Equity

Year ended 30 June 2016

	Note	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 July 2014		10,000	277,493	1,623,440	1,910,933
Profit for the year		—	—	180,578	180,578
Total comprehensive income for the year		—	—	180,578	180,578
At 30 June 2015		10,000	277,493	1,804,018	2,091,511
Profit for the year		—	—	78,424	78,424
Other comprehensive income for the year:					
Revaluation of tangible assets	14	—	250,000	—	250,000
Reclassification from revaluation reserve to profit and loss account		—	—	100,800	100,800
Total comprehensive income for the year		—	250,000	179,224	429,224
At 30 June 2016		10,000	527,493	1,983,242	2,520,735

The notes on pages 13 to 27 form part of these financial statements.

Hamepark Holdings Limited

Company Statement of Changes in Equity

Year ended 30 June 2016

	Note	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 July 2014		10,000	–	384,685	394,685
Profit for the year		–	–	78,352	78,352
Total comprehensive income for the year		–	–	78,352	78,352
At 30 June 2015		10,000	–	463,037	473,037
Profit for the year		–	–	33,954	33,954
Other comprehensive income for the year:					
Revaluation of tangible assets	14	–	527,493	–	527,493
Reclassification from revaluation reserve to profit and loss account		–	–	100,800	100,800
Total comprehensive income for the year		–	527,493	134,754	662,247
At 30 June 2016		10,000	527,493	597,791	1,135,284

The notes on pages 13 to 27 form part of these financial statements.

Hamepark Holdings Limited

Consolidated Statement of Cash Flows

Year ended 30 June 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit for the financial year		78,424	180,578
<i>Adjustments for:</i>			
Depreciation of tangible assets		192,958	261,785
Amortisation of intangible assets		4,788	744
Government grant income		(14,542)	–
Other interest receivable and similar income		(7,316)	(3,493)
Interest payable and similar charges		157,226	151,213
Gains on disposal of tangible assets		(176)	(35,630)
Tax on profit on ordinary activities		35,399	62,639
Accrued expenses/(income)		69,627	(7,835)
<i>Changes in:</i>			
Stocks		(202,293)	(203,188)
Trade and other debtors		(314,707)	76,000
Trade and other creditors		368,300	(36,325)
Cash generated from operations		367,688	446,488
Interest paid		(157,226)	(151,213)
Interest received		7,316	3,493
Tax paid		(46,908)	(75,853)
Net cash from operating activities		<u>170,870</u>	<u>222,915</u>
Cash flows from investing activities			
Purchase of tangible assets		(225,588)	(253,380)
Proceeds from sale of tangible assets		2,251	51,200
Purchase of intangible assets		(64,680)	(950)
Net cash used in investing activities		<u>(288,017)</u>	<u>(203,130)</u>
Cash flows from financing activities			
Proceeds from borrowings		(153,022)	(115,673)
Government grant income		14,542	–
Payments of finance lease liabilities		88,783	4,860
Net cash used in financing activities		<u>(49,697)</u>	<u>(110,813)</u>
Net decrease in cash and cash equivalents		(166,844)	(91,028)
Cash and cash equivalents at beginning of year		(462,196)	(371,168)
Cash and cash equivalents at end of year	18	<u>(629,040)</u>	<u>(462,196)</u>

The notes on pages 13 to 27 form part of these financial statements.

Hamepark Holdings Limited

Notes to the Financial Statements

Year ended 30 June 2016

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is Staneyhill Gas Depot, Staneyhill Industrial Estate, Lerwick, Shetland, ZE1 0NA, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 July 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 31.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of Hamepark Holdings Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Hamepark Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2016

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Revaluation of freehold properties

Freehold properties are carried at revaluation less subsequent accumulated depreciation and impairment. The revaluations are made by independent qualified surveyors who are not connected with the company. The surveyors' valuations are based on recent market transactions on an arm's length basis for similar properties. Estimation is involved but the directors are of the opinion that the surveyors are suitable qualified and independent to provide a reliable valuation. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The property market is stable locally and therefore revaluations are made every three - five years.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Hamepark Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2016

3. Accounting policies *(continued)*

Income tax *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are 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. Deferred tax is measured 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.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Patent costs	-	10% straight line
Software and website	-	25% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Hamepark Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2016

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Property improvements	-	over 10 - 20 years
Plant and machinery	-	25% straight line
Motor vehicles	-	20% straight line
Equipment	-	20% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Hamepark Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2016

3. Accounting policies *(continued)*

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Hamepark Holdings Limited

Notes to the Financial Statements (continued)

Year ended 30 June 2016

3. Accounting policies (continued)

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2016 £	2015 £
Sale of goods	<u>9,385,143</u>	<u>8,845,785</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

5. Other operating income

	2016 £	2015 £
Rental income	21,250	10,560
Government grant income	14,542	–
Other operating income	<u>14,204</u>	<u>2,668</u>
	<u>49,996</u>	<u>13,228</u>

6. Operating profit

Operating profit or loss is stated after charging:

	2016 £	2015 £
Amortisation of intangible assets	4,788	744
Depreciation of tangible assets	192,958	261,785
Gains on disposal of tangible assets	(176)	(35,630)
Impairment of trade debtors	13,154	31,234
Operating lease rentals	402	–
Foreign exchange differences	<u>1,689</u>	<u>398</u>

7. Auditor's remuneration

	2016 £	2015 £
Fees payable for the audit of the financial statements	<u>13,500</u>	<u>15,500</u>

Hamepark Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2016

8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2016	2015
	No.	No.
Production staff	<u>100</u>	<u>92</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016	2015
	£	£
Wages and salaries	2,421,674	2,299,029
Social security costs	199,566	201,416
Other pension costs	46,742	46,380
	<u>2,667,982</u>	<u>2,546,825</u>

9. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2016	2015
	£	£
Remuneration	<u>128,871</u>	<u>192,354</u>

10. Interest payable and similar charges

	2016	2015
	£	£
Interest on banks loans and overdrafts	151,886	146,776
Interest on obligations under finance leases and hire purchase contracts	5,340	4,437
	<u>157,226</u>	<u>151,213</u>

11. Tax on profit on ordinary activities

Major components of tax expense

	2016	2015
	£	£
Current tax:		
UK current tax expense	17,933	46,908
Adjustments in respect of prior periods	—	(79)
Total current tax	<u>17,933</u>	<u>46,829</u>
Deferred tax:		
Origination and reversal of timing differences	17,466	15,810
Tax on profit on ordinary activities	<u>35,399</u>	<u>62,639</u>

Hamepark Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2016

11. Tax on profit on ordinary activities *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20%).

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>113,823</u>	<u>243,217</u>
Profit on ordinary activities by rate of tax	22,765	48,643
Adjustment to tax charge in respect of prior periods	–	(79)
Effect of expenses not deductible for tax purposes	12,518	14,075
Deferred tax asset not recognised	116	–
Tax on profit on ordinary activities	<u>35,399</u>	<u>62,639</u>

12. Profit for the year of the parent company

The profit for the financial year of the parent company was £33,954 (2015: £78,352).

13. Intangible assets

Group	Patent costs £	Software and website £	Total £
Cost			
At 1 July 2015	7,440	–	7,440
Additions	–	64,680	64,680
Transfers	–	13,303	13,303
At 30 June 2016	<u>7,440</u>	<u>77,983</u>	<u>85,423</u>
Amortisation			
At 1 July 2015	3,198	–	3,198
Charge for the year	744	4,044	4,788
At 30 June 2016	<u>3,942</u>	<u>4,044</u>	<u>7,986</u>
Carrying amount			
At 30 June 2016	<u>3,498</u>	<u>73,939</u>	<u>77,437</u>
At 30 June 2015	<u>4,242</u>	–	<u>4,242</u>

The company has no intangible assets.

Hamepark Holdings Limited

Notes to the Financial Statements (continued)

Year ended 30 June 2016

14. Tangible assets

Group	Freehold property £	Property improvement s £	Plant and machinery £	Motor vehicles £	Equipment £	Total £
Cost or valuation						
At 1 Jul 2015	2,272,005	720,617	1,338,287	404,748	22,115	4,757,772
Additions	–	18,911	66,877	139,800	–	225,588
Disposals	–	–	–	(64,852)	–	(64,852)
Revaluations	250,000	–	–	–	–	250,000
Transfers	–	–	(13,302)	–	–	(13,302)
At 30 Jun 2016	2,522,005	739,528	1,391,862	479,696	22,115	5,155,206
Depreciation						
At 1 Jul 2015	141,484	454,213	1,156,801	278,399	19,175	2,050,072
Charge for the year	–	55,727	78,878	56,765	1,588	192,958
Disposals	–	–	–	(62,777)	–	(62,777)
Revaluations	(100,800)	–	–	–	–	(100,800)
At 30 Jun 2016	40,684	509,940	1,235,679	272,387	20,763	2,079,453
Carrying amount						
At 30 Jun 2016	2,481,321	229,588	156,183	207,309	1,352	3,075,753
At 30 Jun 2015	2,130,521	266,404	181,486	126,349	2,940	2,707,700
Company						Freehold property £
Cost or valuation						
At 1 July 2015						2,272,005
Revaluations						250,000
At 30 June 2016						2,522,005
Depreciation						
At 1 July 2015						141,484
Revaluations						(100,800)
At 30 June 2016						40,684
Carrying amount						
At 30 June 2016						2,481,321
At 30 June 2015						2,130,521

The properties of the group are held as security over the bank borrowings in favour of Clydesdale Bank. There is also cross guarantees in place and a floating charge over all group assets with the Clydesdale Bank.

Hamepark Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2016

14. Tangible assets *(continued)*

Tangible assets held at valuation

The freehold property was revalued as at 11 November 2015 by Jones Lang LaSalle IP, on an open market existing use basis. The directors consider there has been no material change in fair value of the properties since that date. The original cost of the freehold properties is £1,994,512 (2015 - £1,994,512).

None of the surveyors listed above are connected with the company.

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

Group	Motor vehicles £
At 30 June 2016	<u>12,650</u>
At 30 June 2015	<u>-</u>

The company has no tangible assets held under finance lease or hire purchase agreements.

15. Investments

Group	Shares in group undertakings £
Cost	
At 1 Jul 2015 and 30 Jun 2016	<u>6</u>
Impairment	
At 1 Jul 2015 and 30 Jun 2016	<u>-</u>
Carrying amount	
At 1 Jul 2015 and 30 Jun 2016	<u>6</u>
Company	Shares in group undertakings £
Cost	
At 1 Jul 2015 and 30 Jun 2016	<u>10,106</u>
Impairment	
At 1 Jul 2015 and 30 Jun 2016	<u>-</u>
Carrying amount	
At 1 Jul 2015 and 30 Jun 2016	<u>10,106</u>

Hamepark Holdings Limited

Notes to the Financial Statements (continued)

Year ended 30 June 2016

15. Investments (continued)

Subsidiaries, associates and other investments

Details of the investments in which the group and the parent company have an interest of 20% or more are as follows:

	Country of incorporation	Class of share	Percentage of shares held
Subsidiary undertakings			
Rearo Laminates Limited	Scotland	Ordinary shares	100
Rearo Supplies Limited	Scotland	Ordinary shares	100
Rearo Trade Counters Limited - Dormant	Scotland	Ordinary shares	100
Surfstone Limited - Dormant	Scotland	Ordinary shares	100

16. Stocks

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Raw materials and consumables	<u>1,964,794</u>	<u>1,762,501</u>	<u>—</u>	<u>—</u>

17. Debtors

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	1,349,827	1,287,182	—	91,234
Amounts owed by group undertakings	—	—	232,100	—
Other debtors	<u>541,207</u>	<u>289,145</u>	<u>24,692</u>	<u>358,333</u>
	<u>1,891,034</u>	<u>1,576,327</u>	<u>256,792</u>	<u>449,567</u>

The debtors above include the following amounts falling due after more than one year:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Other debtors	<u>410,100</u>	<u>210,308</u>	<u>—</u>	<u>—</u>

Included within Other Debtors is a loan due from Staneyhill Brewery of £410,100 (2015 - £210,308). Interest is being charged at a rate of 2.5% p.a.

Hamepark Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2016

18. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2016	2015
	£	£
Cash at bank and in hand	4,269	5,120
Bank overdrafts	(633,309)	(467,316)
	<u>(629,040)</u>	<u>(462,196)</u>

19. Creditors: amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts	742,856	572,057	109,548	104,741
Trade creditors	1,686,404	1,212,395	—	—
Amounts owed to group undertakings	—	—	—	410,816
Accruals and deferred income	79,683	10,055	—	—
Corporation tax	17,933	46,908	—	19,302
Social security and other taxes	149,052	229,535	—	—
Obligations under finance leases and hire purchase contracts	55,452	31,553	—	—
Director loan accounts	67,801	116,082	—	—
Other creditors	57,999	83,225	57,999	25,656
	<u>2,857,180</u>	<u>2,301,810</u>	<u>167,547</u>	<u>560,515</u>

Included within creditors: amounts falling due within one year are the bank loans and overdrafts which are secured by a standard security over the property owned by the group along with cross guarantees and a floating charge over all assets of the group. The total amount due within one year secured at the year end is £742,856 (2015 - £572,057).

20. Creditors: amounts falling due after more than one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts	1,489,111	1,598,658	1,489,111	1,598,658
Obligations under finance leases and hire purchase contracts	99,762	34,878	—	—
	<u>1,588,873</u>	<u>1,633,536</u>	<u>1,489,111</u>	<u>1,598,658</u>

Included within creditors: amounts falling due after more than one year are the bank loans and overdrafts which are secured by a standard security over the property owned by the group along with cross guarantees and a floating charge over all assets of the group. The total amount due after more than one year secured at the year end is £1,489,111 (2015 - £1,598,658).

Hamepark Holdings Limited

Notes to the Financial Statements (continued)

Year ended 30 June 2016

20. Creditors: amounts falling due after more than one year (continued)

Included within creditors: amounts falling due after more than one year is an amount of £217,304 (2015: £240,224) for the group and £217,304 (2015: £240,224) for the company in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The interest rate payable on bank loans due greater than 5 years is 4.5% p.a.

21. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Not later than 1 year	61,134	35,490	–	–
Later than 1 year and not later than 5 years	110,513	39,020	–	–
	<u>171,647</u>	<u>74,510</u>	<u>–</u>	<u>–</u>
Less: future finance charges	(16,433)	(8,079)	–	–
Present value of minimum lease payments	<u>155,214</u>	<u>66,431</u>	<u>–</u>	<u>–</u>

22. Provisions

Group	Deferred tax (note 23) £
At 1 July 2015	29,039
Additions	18,737
Transfers	(1,271)
At 30 June 2016	<u>46,505</u>

The company does not have any provisions.

23. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Included in provisions (note 22)	<u>46,505</u>	<u>29,039</u>	<u>–</u>	<u>–</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Accelerated capital allowances	<u>46,505</u>	<u>29,039</u>	<u>–</u>	<u>–</u>

Hamepark Holdings Limited

Notes to the Financial Statements (continued)

Year ended 30 June 2016

24. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £46,742 (2015: £46,380).

25. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Recognised in other operating income:				
Government grants recognised directly in income	<u>14,542</u>	<u>—</u>	<u>—</u>	<u>—</u>

26. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

Each share rank equally for voting purposes, dividends declared and for any distribution made on a winding up.

The entire share capital is held by Mr J Mercer, Mr J Mercer and Mr G Mercer, all directors of Hamepark Holdings Limited.

27. Reserves

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Profit and loss account - This reserve records retained earnings and accumulated losses.

28. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Not later than 1 year	90	35,000	—	—
Later than 1 year and not later than 5 years	392,331	76,748	—	—
Later than 5 years	—	28,500	—	—
	<u>392,241</u>	<u>140,248</u>	<u>—</u>	<u>—</u>

Hamepark Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2016

29. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company and its subsidiary undertakings:

	Balance brought forward £	2016 Advances/ (credits) to the directors £	Balance outstanding £
Mrs C A Mercer	(113,219)	45,418	(67,801)
Mr J Mercer	(2,863)	2,863	-
	<u>(116,082)</u>	<u>48,281</u>	<u>(67,801)</u>

	Balance brought forward £	2015 Advances/ (credits) to the directors £	Balance outstanding £
Mrs C A Mercer	(126,937)	13,718	(113,219)
Mr J Mercer	(6,749)	3,886	(2,863)
	<u>(133,686)</u>	<u>17,604</u>	<u>(116,082)</u>

30. Related party transactions

Group

Within Other Debtors the company is due £410,100 (2015 - £210,308) from Staneyhill Brewery Limited, a company in which Mr James Mercer and Mr Graham Mercer are directors. No repayment terms are stipulated on this loan and interest is charged at a commercial rate, amounting to £7,316 (2015 - £3,524).

Hamepark hold the entire share capital of Rearo Laminates Limited, Rearo Supplies Limited, Rearo Trade Counters Limited and Surfstone Limited.

Company

No transactions with related parties were undertaken during the current or previous year.

The company Hamepark Holdings Limited was under the control of directors during the current and previous year.

31. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The group and the company transitioned to FRS 102 on 1 July 2014.

No transitional adjustments were required in equity or profit or loss for the year.