

Hamepark Holdings Limited
Financial Statements
30 June 2017



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

Hamepark Holdings Limited

Financial Statements

Year ended 30 June 2017

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Hamepark Holdings Limited

Strategic Report

Year ended 30 June 2017

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 9 of the financial statements.

Dividends paid in respect of the period ended 30 June 2017 are detailed in note 13.

The balance sheet on page 10 of the financial statements shows the group's financial position at the period end. 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:

	2017	2016
Turnover (£)	10,744,594	9,385,143
Gross profit margin (%)	50	50
Profit before tax (£)	163,171	113,823

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.

Hamepark Holdings Limited

Strategic Report *(continued)*

Year ended 30 June 2017

This report was approved by the board of directors on 15 February 2018 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 2017

The directors present their report and the financial statements of the group for the year ended 30 June 2017.

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

Particulars of recommended dividends are detailed in note 13 to the financial statements.

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 2017

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 15 February 2018 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 2017

Opinion

We have audited the financial statements of Hamepark Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2017 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, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 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.

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 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Hamepark Holdings Limited

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

Year ended 30 June 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Hamepark Holdings Limited

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

Year ended 30 June 2017

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

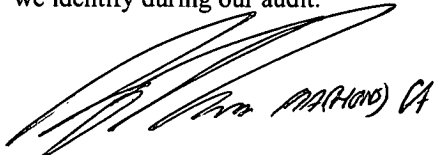
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
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Hamepark Holdings Limited

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

Year ended 30 June 2017

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read 'Angus Cowie MA (HONS) CA'.

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

15 February 2018

Hamepark Holdings Limited

Consolidated Statement of Comprehensive Income

Year ended 30 June 2017

		2017 £	2016 £
Turnover	Note 4	10,744,594	9,385,143
Cost of sales		(5,417,989)	(4,717,950)
Gross profit		5,326,605	4,667,193
Distribution costs		(343,693)	(290,333)
Administrative expenses		(4,683,113)	(4,163,123)
Other operating income	5	26,066	49,996
Operating profit	6	325,865	263,733
Other interest receivable and similar income	10	9,392	7,316
Interest payable and similar expenses	11	(172,086)	(157,226)
Profit before taxation		163,171	113,823
Tax on profit	12	(40,428)	(35,399)
Profit for the financial year		122,743	78,424
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		122,743	429,224

All the activities of the group are from continuing operations.

The notes on pages 15 to 30 form part of these financial statements.

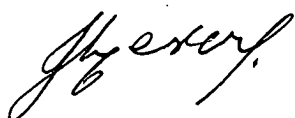
Hamepark Holdings Limited

Consolidated Statement of Financial Position

30 June 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	14	75,153	77,437
Tangible assets	15	3,011,423	3,075,753
Investments	16	6	6
		<u>3,086,582</u>	<u>3,153,196</u>
Current assets			
Stocks	17	2,147,035	1,964,794
Debtors	18	2,093,169	1,891,034
Cash at bank and in hand		4,525	4,269
		<u>4,244,729</u>	<u>3,860,097</u>
Creditors: amounts falling due within one year	20	<u>3,228,961</u>	<u>2,857,180</u>
Net current assets		<u>1,015,768</u>	<u>1,002,917</u>
Total assets less current liabilities		<u>4,102,350</u>	<u>4,156,113</u>
Creditors: amounts falling due after more than one year	21	1,432,627	1,588,873
Provisions	23	46,245	46,505
Net assets		<u>2,623,478</u>	<u>2,520,735</u>
Capital and reserves			
Called up share capital	27	10,000	10,000
Revaluation reserve	28	527,493	527,493
Profit and loss account	28	2,085,985	1,983,242
Shareholders funds		<u>2,623,478</u>	<u>2,520,735</u>

These financial statements were approved by the board of directors and authorised for issue on 15 February 2018, and are signed on behalf of the board by:



Mr J Mercer
Director

Company registration number: SC451413

The notes on pages 15 to 30 form part of these financial statements.

Hamepark Holdings Limited

Company Statement of Financial Position

30 June 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	15	2,481,321	2,481,321
Investments	16	10,106	10,106
		<u>2,491,427</u>	<u>2,491,427</u>
Current assets			
Debtors	18	205,848	256,792
Cash at bank and in hand		7,104	43,723
		<u>212,952</u>	<u>300,515</u>
Creditors: amounts falling due within one year	20	164,376	167,547
Net current assets		<u>48,576</u>	<u>132,968</u>
Total assets less current liabilities		<u>2,540,003</u>	<u>2,624,395</u>
Creditors: amounts falling due after more than one year	21	1,374,537	1,489,111
Net assets		<u>1,165,466</u>	<u>1,135,284</u>
Capital and reserves			
Called up share capital	27	10,000	10,000
Revaluation reserve	28	527,493	527,493
Profit and loss account	28	627,973	597,791
Shareholders funds		<u>1,165,466</u>	<u>1,135,284</u>

The profit for the financial year of the parent company was £50,182 (2016: £33,954).

These financial statements were approved by the board of directors and authorised for issue on 15 February 2018, and are signed on behalf of the board by:



Mr J Mercer
Director

Company registration number: SC451413

The notes on pages 15 to 30 form part of these financial statements.

Hamepark Holdings Limited

Consolidated Statement of Changes in Equity

Year ended 30 June 2017

	Note	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 July 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	15	–	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
Profit for the year				122,743	122,743
Total comprehensive income for the year		–	–	122,743	122,743
Dividends paid and payable	13	–	–	(20,000)	(20,000)
Total investments by and distributions to owners		–	–	(20,000)	(20,000)
At 30 June 2017		10,000	527,493	2,085,985	2,623,478

The notes on pages 15 to 30 form part of these financial statements.

Hamepark Holdings Limited

Company Statement of Changes in Equity

Year ended 30 June 2017

	Note	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 July 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	15	–	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
Profit for the year				50,182	50,182
Total comprehensive income for the year		–	–	50,182	50,182
Dividends paid and payable	13	–	–	(20,000)	(20,000)
Total investments by and distributions to owners		–	–	(20,000)	(20,000)
At 30 June 2017		<u>10,000</u>	<u>527,493</u>	<u>627,973</u>	<u>1,165,466</u>

The notes on pages 15 to 30 form part of these financial statements.

Hamepark Holdings Limited

Consolidated Statement of Cash Flows

Year ended 30 June 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the financial year		122,743	78,424
<i>Adjustments for:</i>			
Depreciation of tangible assets		164,116	192,958
Amortisation of intangible assets		19,353	4,788
Government grant income		(11,069)	(14,542)
Other interest receivable and similar income		(9,392)	(7,316)
Interest payable and similar expenses		172,086	157,226
Gains on disposal of tangible assets		(2,500)	(176)
Tax on profit		40,428	35,399
Accrued (income)/expenses		(14,243)	69,627
<i>Changes in:</i>			
Stocks		(182,241)	(202,293)
Trade and other debtors		(202,135)	(314,707)
Trade and other creditors		212,609	368,300
Cash generated from operations		309,755	367,688
Interest paid		(172,086)	(157,226)
Interest received		9,392	7,316
Tax paid		(17,933)	(46,908)
Net cash from operating activities		<u>129,128</u>	<u>170,870</u>
Cash flows from investing activities			
Purchase of tangible assets		(99,786)	(225,588)
Proceeds from sale of tangible assets		2,500	2,251
Purchase of intangible assets		(17,069)	(64,680)
Net cash used in investing activities		<u>(114,355)</u>	<u>(288,017)</u>
Cash flows from financing activities			
Proceeds from borrowings		(105,642)	(153,022)
Government grant income		11,069	14,542
Payments of finance lease liabilities		(55,452)	88,783
Dividends paid		(20,000)	–
Net cash used in financing activities		<u>(170,025)</u>	<u>(49,697)</u>
Net decrease in cash and cash equivalents		(155,252)	(166,844)
Cash and cash equivalents at beginning of year		(629,040)	(462,196)
Cash and cash equivalents at end of year	19	<u>(784,292)</u>	<u>(629,040)</u>

The notes on pages 15 to 30 form part of these financial statements.

Hamepark Holdings Limited

Notes to the Financial Statements

Year ended 30 June 2017

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.

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 2017

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 2017

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 2017

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 2017

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 2017

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:

	2017 £	2016 £
Sale of goods	<u>10,744,594</u>	<u>9,385,143</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

	2017 £	2016 £
Rental income	—	21,250
Government grant income	11,069	14,542
Other operating income	<u>14,997</u>	<u>14,204</u>
	<u>26,066</u>	<u>49,996</u>

6. Operating profit

Operating profit is stated after charging / (crediting):

	2017 £	2016 £
Amortisation of intangible assets	19,353	4,788
Depreciation of tangible assets	164,116	192,958
Gains on disposal of tangible assets	(2,500)	(176)
Impairment of trade debtors	16,628	13,154
Operating lease rentals	683	402
Foreign exchange differences	<u>7,296</u>	<u>1,689</u>

7. Auditor's remuneration

	2017 £	2016 £
Fees payable for the audit of the financial statements	<u>15,700</u>	<u>13,500</u>

Hamepark Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

8. Staff costs

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

	2017 No.	2016 No.
Production staff	<u>110</u>	<u>100</u>

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

	2017 £	2016 £
Wages and salaries	2,754,376	2,421,674
Social security costs	229,600	199,566
Other pension costs	52,066	46,742
	<u>3,036,042</u>	<u>2,667,982</u>

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2017 £	2016 £
Remuneration	<u>130,818</u>	<u>128,871</u>

10. Other interest receivable and similar income

	2017 £	2016 £
Interest on loans and receivables	8,828	7,316
Interest on cash and cash equivalents	564	—
	<u>9,392</u>	<u>7,316</u>

11. Interest payable and similar expenses

	2017 £	2016 £
Interest on banks loans and overdrafts	166,396	151,886
Interest on obligations under finance leases and hire purchase contracts	5,690	5,340
	<u>172,086</u>	<u>157,226</u>

12. Tax on profit

Major components of tax expense

	2017 £	2016 £
Current tax:		
UK current tax expense	40,688	17,933

Hamepark Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

12. Tax on profit *(continued)*

	2017 £	2016 £
Deferred tax:		
Origination and reversal of timing differences	(260)	17,466
Tax on profit	<u>40,428</u>	<u>35,399</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 19% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	<u>163,171</u>	<u>113,823</u>
Profit on ordinary activities by rate of tax	32,227	22,765
Effect of expenses not deductible for tax purposes	10,602	12,518
Deferred tax asset not recognised	–	116
Change in rate	(2,401)	–
Tax on profit	<u>40,428</u>	<u>35,399</u>

13. Dividends

	2017 £	2016 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>20,000</u>	<u>–</u>

Hamepark Holdings Limited

Notes to the Financial Statements (continued)

Year ended 30 June 2017

14. Intangible assets

Group	Patent costs £	Software and website £	Total £
Cost			
At 1 July 2016	7,440	77,983	85,423
Additions	–	17,069	17,069
At 30 June 2017	<u>7,440</u>	<u>95,052</u>	<u>102,492</u>
Amortisation			
At 1 July 2016	3,942	4,044	7,986
Charge for the year	744	18,609	19,353
At 30 June 2017	<u>4,686</u>	<u>22,653</u>	<u>27,339</u>
Carrying amount			
At 30 June 2017	<u>2,754</u>	<u>72,399</u>	<u>75,153</u>
At 30 June 2016	<u>3,498</u>	<u>73,939</u>	<u>77,437</u>

The company has no intangible assets.

15. Tangible assets

Group	Freehold property £	Property improvements £	Plant and machinery £	Motor vehicles £	Equipment £	Total £
Cost						
At 1 Jul 2016	2,522,005	739,528	1,391,862	479,696	22,115	5,155,206
Additions	–	8,016	76,770	15,000	–	99,786
At 30 Jun 2017	<u>2,522,005</u>	<u>747,544</u>	<u>1,468,632</u>	<u>494,696</u>	<u>22,115</u>	<u>5,254,992</u>
Depreciation						
At 1 Jul 2016	40,684	509,940	1,235,679	272,387	20,763	2,079,453
Charge for the year	–	42,590	66,207	55,000	319	164,116
At 30 Jun 2017	<u>40,684</u>	<u>552,530</u>	<u>1,301,886</u>	<u>327,387</u>	<u>21,082</u>	<u>2,243,569</u>
Carrying amount						
At 30 Jun 2017	<u>2,481,321</u>	<u>195,014</u>	<u>166,746</u>	<u>167,309</u>	<u>1,033</u>	<u>3,011,423</u>
At 30 Jun 2016	<u>2,481,321</u>	<u>229,588</u>	<u>156,183</u>	<u>207,309</u>	<u>1,352</u>	<u>3,075,753</u>

Hamepark Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

15. Tangible assets *(continued)*

Company	Freehold property £
Cost	
At 1 July 2016 and 30 June 2017	<u>2,522,005</u>
Depreciation	
At 1 July 2016 and 30 June 2017	<u>40,684</u>
Carrying amount	
At 30 June 2017	<u>2,481,321</u>

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.

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 (2016 - £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 2017	<u>129,938</u>
At 30 June 2016	<u>12,650</u>

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

16. Investments

Group	Shares in group undertakings £
Cost	
At 1 July 2016 and 30 June 2017	<u>6</u>
Impairment	
At 1 July 2016 and 30 June 2017	<u>-</u>

Hamepark Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

16. Investments *(continued)*

Group	Shares in group undertakings £
Carrying amount At 1 July 2016 and 30 June 2017	<u>6</u>
Company	Shares in group undertakings £
Cost At 1 July 2016 and 30 June 2017	<u>10,106</u>
Impairment At 1 July 2016 and 30 June 2017	<u>—</u>
Carrying amount At 1 July 2016 and 30 June 2017	<u>10,106</u>

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:

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

17. Stocks

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Raw materials and consumables	<u>2,147,035</u>	<u>1,964,794</u>	<u>—</u>	<u>—</u>

Hamepark Holdings Limited

Notes to the Financial Statements (continued)

Year ended 30 June 2017

18. Debtors

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	1,508,903	1,349,827	–	–
Amounts owed by group undertakings	–	–	204,793	232,100
Prepayments and accrued income	204	–	–	–
Amounts recoverable on contracts	10,015	–	–	–
Other debtors	574,047	541,207	1,055	24,692
	<u>2,093,169</u>	<u>1,891,034</u>	<u>205,848</u>	<u>256,792</u>

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Other debtors	<u>528,188</u>	<u>410,100</u>	<u>–</u>	<u>–</u>

Included within Other Debtors is a loan due from Staneyhill Brewery of £528,188 (2016 - £410,100). Interest is being charged at a rate of 2.5% p.a.

19. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2017	2016
	£	£
Cash at bank and in hand	4,525	4,269
Bank overdrafts	(788,817)	(633,309)
	<u>(784,292)</u>	<u>(629,040)</u>

20. Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts	903,391	742,856	117,107	109,548
Trade creditors	1,845,966	1,686,404	–	–
Accruals and deferred income	104,163	79,683	–	–
Corporation tax	40,688	17,933	14,735	–
Social security and other taxes	208,841	149,052	–	–
Obligations under finance leases and hire purchase contracts	41,672	55,452	–	–
Director loan accounts	71,706	67,801	20,000	–
Other creditors	12,534	57,999	12,534	57,999
	<u>3,228,961</u>	<u>2,857,180</u>	<u>164,376</u>	<u>167,547</u>

Hamepark Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

20. Creditors: amounts falling due within one year *(continued)*

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 £903,391 (2016 - £742,856).

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts	1,374,537	1,489,111	1,374,537	1,489,111
Obligations under finance leases and hire purchase contracts	58,090	99,762	—	—
	<u>1,432,627</u>	<u>1,588,873</u>	<u>1,374,537</u>	<u>1,489,111</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 £1,374,537 (2016 - £1,489,111).

Included within creditors: amounts falling due after more than one year is an amount of £85,898 (2016: £114,593) for the group and £85,898 (2016: £114,593) 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.

22. Finance leases and hire purchase contracts

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Not later than 1 year	46,210	61,134	—	—
Later than 1 year and not later than 5 years	64,302	110,513	—	—
	<u>110,512</u>	<u>171,647</u>	<u>—</u>	<u>—</u>
Less: future finance charges	(10,750)	(16,433)	—	—
Present value of minimum lease payments	<u>99,762</u>	<u>155,214</u>	<u>—</u>	<u>—</u>

Hamepark Holdings Limited

Notes to the Financial Statements (continued)

Year ended 30 June 2017

23. Provisions

Group	Deferred tax (note 24) £
At 1 July 2016	46,505
Charge against provision	(2,026)
Transfers	1,766
At 30 June 2017	<u>46,245</u>

The company does not have any provisions.

24. Deferred tax

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Included in provisions (note 23)	<u>46,245</u>	<u>46,505</u>	<u>—</u>	<u>—</u>

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Accelerated capital allowances	<u>46,245</u>	<u>46,505</u>	<u>—</u>	<u>—</u>

25. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £52,066 (2016: £46,742).

26. Government grants

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Recognised in other operating income:				
Government grants recognised directly in income	<u>11,069</u>	<u>14,542</u>	<u>—</u>	<u>—</u>

Hamepark Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

27. Called up share capital

Issued, called up and fully paid

	2017		2016	
	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.

28. 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.

29. Operating leases

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Not later than 1 year	162,895	90	—	—
Later than 1 year and not later than 5 years	351,530	452,969	—	—
	<u>514,425</u>	<u>453,059</u>	<u>—</u>	<u>—</u>

Hamepark Holdings Limited

Notes to the Financial Statements (continued)

Year ended 30 June 2017

30. Directors' advances, credits and guarantees

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

	2017			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mrs C A Mercer	(67,801)	–	16,095	(51,706)
Mr R G Mercer	–	(5,000)	–	(5,000)
Mr J C Mercer	–	(5,000)	–	(5,000)
Mr J Mercer	–	(10,000)	–	(10,000)
	<u>(67,801)</u>	<u>(20,000)</u>	<u>16,095</u>	<u>(71,706)</u>

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

31. Related party transactions

Group

Within Other Debtors the company is due £528,189 (2016 - £410,100) 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 £9,392 (2016 - £7,316).

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 requiring disclosure 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.