

Registered number: SC021652

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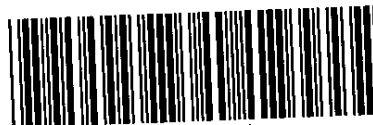
**FLEMING & COMPANY (MACHINERY) LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 JUNE 2019**

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**FLEMING & COMPANY (MACHINERY) LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	M J Behan J D Ripley
<b>Company secretary</b>	A Sheppard
<b>Registered number</b>	SC021652
<b>Registered office</b>	Woodhead Road South Nitshill Glasgow Lanarkshire G53 7NX
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor The Colmore Building 20 Colmore Circus Birmingham West Midlands B4 6AT
<b>Bankers</b>	Bank of Scotland Plc PO Box 1984 Andover SP10 9GZ

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**FLEMING & COMPANY (MACHINERY) LIMITED**

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## **FLEMING & COMPANY (MACHINERY) LIMITED**

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### **DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2019**

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The directors present their report and the financial statements for the period ended 30 June 2019. The accounting period has changed to align its year-end to that of its new ultimate parent Barhale Holdings Plc.

#### **Directors**

The directors who served during the period and subsequently were:

M J Behan (appointed 16 November 2018)  
J D Ripley (appointed 16 November 2018)  
C G Hill (resigned 16 November 2018)  
S L Hill (resigned 16 November 2018)

#### **Directors' responsibilities statement**

The directors are responsible for preparing the 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the Company 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.

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**FLEMING & COMPANY (MACHINERY) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 30 JUNE 2019**

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**Principal risks and uncertainties**

The Company's principal risk and uncertainty relate to financial risks.

**Financial risk management objectives and policies**

The Company's principal financial instruments are cash, trade debtors and amounts owed by group undertakings. The Company has various other financial instruments, such as trade creditors and amounts owed to group undertakings which arise directly from its operations.

The main risks arising from the Company's financial instruments are liquidity risk and credit risk and they are summarised below.

*Liquidity risk*

The Company's objective is to maintain a balance between continuity of funding and flexibility through intercompany transactions and sales to third parties.

*Credit risk*

The Company's principal financial assets are cash at bank and trade debtors. The Company's credit risk is primarily attributable to its trade debtors. The amounts presented in the Statement of financial position are net of allowances for doubtful receivables.

An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

**Qualifying third party indemnity provisions**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in place.

**Disclosure of information to auditor**

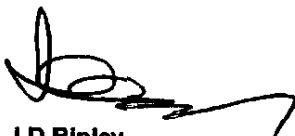
The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 2 March 2020 and signed on its behalf.

  
**J D Ripley**  
Director



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLEMING & COMPANY (MACHINERY) LIMITED**

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**Opinion**

We have audited the financial statement of Fleming & Company (Machinery) Limited (the 'Company') for the period ended 30 June 2019, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statement:

- give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of its profit for the period 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.

**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 statement section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statement 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.

**The Impact of uncertainties arising from the UK exiting the European Union on our audit**

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with a course of action such as Brexit.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLEMING & COMPANY (MACHINERY)  
LIMITED (CONTINUED)**

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**Other matter**

The Company was not required to have a statutory audit for the year ended 31 March 2018 as it was entitled to exemption from the provision of the Companies Act 2006 relating to the audit of the financial statements for the period by virtue of Section 477 and no member or members requested an audit pursuant to Section 476 of the Act. Accordingly, the corresponding figures for the year ended 31 March 2018 are unaudited.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' report, other than the financial statement and our Auditor's report thereon. Our opinion on the financial statement 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 statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement 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 statement 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 Directors' report for the financial period for which the financial statement are prepared is consistent with the financial statement; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

**Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

**Matters on which we are required to report by exception**

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLEMING & COMPANY (MACHINERY)  
LIMITED (CONTINUED)**

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- the directors were not entitled to prepare the financial statement in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing a strategic report.

**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statement 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 statement that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, the directors are responsible for assessing the 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 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 statement 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 statement.

A further description of our responsibilities for the audit of the financial statement is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**Use of our report**

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.



David P White  
Senior Statutory Auditor  
For and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Birmingham  
Date: 21/3/20



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**FLEMING & COMPANY (MACHINERY) LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2019**

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	Note	Period ended 30 June 2019 £	Unaudited Year ended 31 March 2018 £
Turnover		1,667,906	2,789,505
Cost of sales		(1,298,433)	(2,248,503)
<b>Gross profit</b>		<b>369,473</b>	<b>541,002</b>
Administrative expenses		(170,309)	(350,533)
Other operating income	5	-	11,657
<b>Operating profit</b>		<b>199,164</b>	<b>202,126</b>
Interest receivable and similar income	11	3,521	9,189
<b>Profit before tax</b>		<b>202,685</b>	<b>211,315</b>
Tax on profit	10	(19,343)	(40,786)
<b>Profit for the financial period and total comprehensive income</b>		<b>183,342</b>	<b>170,529</b>

All amounts relate to continuing activities.

There was no other comprehensive income for 2019 (2018: £Nil).


The notes on pages 9 to 22 form part of these financial statements.

**FLEMING & COMPANY (MACHINERY) LIMITED**  
**REGISTERED NUMBER: SC021652**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

		30 June 2019 £	Unaudited 31 March 2018 £
<b>Fixed assets</b>	<b>Note</b>		
Tangible assets	12	38,841	46,855
<b>Current assets</b>			
Stocks	13	108,342	211,524
Debtors: amounts falling due within one year	14	210,284	330,939
Cash at bank and in hand		108,219	1,183,094
		<u>426,845</u>	<u>1,725,557</u>
Creditors: amounts falling due within one year	15	(217,035)	(427,606)
<b>Net current assets</b>		<u>209,810</u>	<u>1,297,951</u>
<b>Total assets less current liabilities</b>		<u>248,651</u>	<u>1,344,806</u>
Deferred tax	16	(2,890)	(4,153)
<b>Net assets</b>		<u><u>245,761</u></u>	<u><u>1,340,653</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	468	468
Capital redemption reserve	19	1,482	1,482
Profit and loss account	19	243,811	1,338,703
		<u><u>245,761</u></u>	<u><u>1,340,653</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
2 March 2020.

  
J D Ripley  
Director

The notes on pages 9 to 22 form part of these financial statements.

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**FLEMING & COMPANY (MACHINERY) LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2019**

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	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2018	468	1,482	1,338,703	1,340,653
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	183,342	183,342
Dividends: Equity capital	-	-	(1,278,234)	(1,278,234)
<b>At 30 June 2019</b>	<b>468</b>	<b>1,482</b>	<b>243,811</b>	<b>245,761</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2018**

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	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2017	468	1,482	1,235,174	1,237,124
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	170,529	170,529
Dividends: Equity capital	-	-	(67,000)	(67,000)
<b>At 31 March 2018</b>	<b>468</b>	<b>1,482</b>	<b>1,338,703</b>	<b>1,340,653</b>

The notes on pages 9 to 22 form part of these financial statements.

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## **FLEMING & COMPANY (MACHINERY) LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019**

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#### **1. General Information**

Fleming & Company (Machinery) Limited is a private company limited by shares and incorporated in Scotland. Its registered office is Woodhead Road, South Nitshill, Glasgow, G53 7NX.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The accounts are presented in Sterling.

The following principal accounting policies have been applied:

##### **2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Barhale Holdings Plc as at 30 June 2019 and these financial statements may be obtained from Companies House.

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## **FLEMING & COMPANY (MACHINERY) LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019**

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#### **2. Accounting policies (continued)**

##### **2.3 Going concern**

As there is a degree of inherent reliance on trading with a fellow subsidiary, Barhale Limited, in the company's business model, the directors have obtained a letter from Barhale Holdings Plc to confirm that it intends to provide support for a period of at least 12 months from the date of approval of these financial statements. The directors of Barhale Holdings Plc have prepared monthly cash flow forecasts for the group to 30 June 2021 and stress-tested these for reasonably possible alternative scenarios. These show that based on the group's order book and use of its currently agreed available facilities to 30 September 2020, the group will have sufficient liquidity to meet its liabilities as they fall due.

Accordingly, the directors of the company have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and believe that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

##### **2.4 Revenue**

Revenue is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods supplied. Significant risks and rewards are generally considered to be transferred to the buyer when the customer has taken undisputed delivery of the goods and services.

##### **2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Long-term leasehold property	-	Over 99 years
Alterations to leasehold property	-	20% straight line
Plant and machinery	-	15% straight line
Motor vehicles	-	20% straight line
Fixtures and fittings	-	15% straight line
Computer equipment	-	20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

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**FLEMING & COMPANY (MACHINERY) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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**2. Accounting policies (continued)**

**2.6 Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.7 Debtors**

Debtors consist of amounts due from customers. An allowance for doubtful debts is maintained for estimated losses resulting from the inability of the group's customers to make required payments. The allowance is based on the group's regular assessment of the credit worthiness and financial conditions of customers.

**2.8 Cash and cash equivalents**

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

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## **FLEMING & COMPANY (MACHINERY) LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019**

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#### **2. Accounting policies (continued)**

##### **2.9 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, amounts owed by group undertakings and accruals.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **2.10 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **2.11 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

##### **2.12 Pensions**

###### **Defined contribution pension plan**

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

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

##### **2.13 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

##### **2.14 Operating leases**

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

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## **FLEMING & COMPANY (MACHINERY) LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019**

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#### **2. Accounting policies (continued)**

##### **2.15 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### **3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

No material judgments were made in applying accounting policies and no material estimation uncertainties exist.

#### **4. Turnover**

The whole of the turnover is attributable to the sale of construction related tools, consumables, signs, workwear and safety equipment.

All turnover arose within the United Kingdom.



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**FLEMING & COMPANY (MACHINERY) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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**5. Other operating income**

	<b>Period ended 30 June 2019 £</b>	<b>Year ended 31 March 2018 £</b>
Commissions receivable	-	11,657
	<u>          </u>	<u>          </u>

**6. Staff costs**

	<b>Period ended 30 June 2019 £</b>	<b>Year ended 31 March 2018 £</b>
Wages and salaries	193,081	180,936
Social security costs	14,029	16,041
Cost of defined contribution scheme	15,359	57,375
	<u>222,469</u>	<u>254,352</u>

The average monthly number of employees, excluding the directors, during the period was as follows:

	<b>Period ended 30 June 2019 No.</b>	<b>Year ended 31 March 2018 No.</b>
	<u>9</u>	<u>7</u>

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**FLEMING & COMPANY (MACHINERY) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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**7. Directors' remuneration**

	<b>Period ended 30 June 2019 £</b>	<b>Year ended 31 March 2018 £</b>
Directors' emoluments	<b>9,828</b>	<b>16,320</b>
Company contributions to defined contribution pension schemes	<b>2,400</b>	<b>50,000</b>
	<b>12,228</b>	<b>66,320</b>

The former directors are remunerated through the Company until their resignation date whilst the current directors are remunerated through Barhale Limited, a group undertaking. The above remuneration is representative of 2 directors who served until their resignations on 16 November. The directors who served after that date are remunerated by Barhale Limited, a company also under the control of Barhale Holdings Plc.

During the period retirement benefits were accruing to 2 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £4,760 (2018 - £8,160).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2018 - £Nil).

**8. Operating profit**

The operating profit is stated after charging:

	<b>Period ended 30 June 2019 £</b>	<b>Year ended 31 March 2018 £</b>
Depreciation on tangible fixed assets	<b>8,014</b>	<b>9,236</b>
Other operating lease rentals	<b>5,880</b>	<b>3,920</b>

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**FLEMING & COMPANY (MACHINERY) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2019**

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**9. Auditor's remuneration**

Auditor's remuneration of £4,000 (2018: £Nil) has been borne by Barhale Limited, a company also under the control of Barhale Holdings Plc.

Fees payable to the Company's auditor in relation to non-audit services are disclosed, on a consolidated basis, in the consolidated financial statements of Barhale Holdings Plc.

**10. Taxation**

	<b>Period ended 30 June 2019 £</b>	<b>Year ended 31 March 2018 £</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>20,606</b>	<b>42,275</b>
<b>Total current tax</b>	<b>20,606</b>	<b>42,275</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>(1,263)</b>	<b>(1,489)</b>
<b>Total deferred tax</b>	<b>(1,263)</b>	<b>(1,489)</b>
<b>Taxation on profit on ordinary activities</b>	<b>19,343</b>	<b>40,786</b>

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**FLEMING & COMPANY (MACHINERY) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Taxation (continued)**

**Factors affecting tax charge for the period/year**

The tax assessed for the period/year is the same as (2018 - the same as) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%) as set out below:

	Period ended 30 June 2019 £	Year ended 31 March 2018 £
Profit on ordinary activities before tax	<u>202,685</u>	<u>211,315</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	38,510	40,150
<b>Effects of:</b>		
Fixed asset differences	111	90
Expenses not deductible for tax purposes	5,255	370
Group relief surrendered/(claimed)	(20,426)	-
Adjustment to tax rates	149	176
Income not taxable for tax purposes	(4,256)	-
<b>Total tax charge for the period/year</b>	<u><u>19,343</u></u>	<u><u>40,786</u></u>

**Factors that may affect future tax charges**

A reduction in the UK corporate tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted in September 2016.

**11. Interest receivable and similar income**

	Period ended 30 June 2019 £	Year ended 31 March 2018 £
Bank interest receivable	<u><u>3,521</u></u>	<u><u>9,189</u></u>

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**12. Tangible fixed assets**

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>						
At 1 April 2018	68,037	32,310	33,868	54,899	13,357	202,471
Disposals	-	(9,018)	-	(51,683)	-	(60,701)
At 30 June 2019	68,037	23,292	33,868	3,216	13,357	141,770
<b>Depreciation</b>						
At 1 April 2018	45,609	21,942	23,387	51,321	13,357	155,616
Charge for the year	586	1,944	4,813	671	-	8,014
Disposals	-	(9,018)	-	(51,683)	-	(60,701)
At 30 June 2019	46,195	14,868	28,200	309	13,357	102,929
<b>Net book value</b>						
At 30 June 2019	21,842	8,424	5,668	2,907	-	38,841
At 31 March 2018	22,428	10,368	10,481	3,578	-	46,855

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**13. Stocks**

	<b>30 June 2019 £</b>	<b>31 March 2018 £</b>
Consumables and spare parts	<b>108,342</b>	<b>211,524</b>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the period as an expense was £1,298,433 (2018: £2,248,503).

An impairment loss of £Nil (2018: £Nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

**14. Debtors**

	<b>30 June 2019 £</b>	<b>31 March 2018 £</b>
Trade debtors	<b>155,717</b>	<b>314,274</b>
Amounts owed by group undertakings	<b>39,057</b>	<b>-</b>
Other debtors	<b>11,901</b>	<b>16,665</b>
Prepayments and accrued income	<b>3,609</b>	<b>-</b>
	<b>210,284</b>	<b>330,939</b>

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

An impairment loss of £Nil (2018: £Nil) was recognised in respect of trade debtors.

**15. Creditors: Amounts falling due within one year**

	<b>30 June 2019 £</b>	<b>31 March 2018 £</b>
Trade creditors	<b>166,206</b>	<b>365,853</b>
Corporation tax	<b>20,606</b>	<b>42,275</b>
Other taxation and social security	<b>16,395</b>	<b>15,106</b>
Accruals and deferred income	<b>13,828</b>	<b>4,372</b>
	<b>217,035</b>	<b>427,606</b>

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**16. Deferred taxation**

	2019 £	2018 £
At beginning of year	(4,153)	(5,642)
Charged to profit or loss	1,263	1,489
At end of year	<u>(2,890)</u>	<u>(4,153)</u>

The provision for deferred taxation is made up as follows:

	30 June 2019 £	31 March 2018 £
Fixed asset timing differences	<u>(2,890)</u>	<u>(4,153)</u>

**17. Financial instruments**

	30 June 2019 £	31 March 2018 £
<b>Financial assets</b>		
Cash at bank and in hand	108,219	1,183,094
Financial assets measured at amortised cost	206,675	330,939
	<u>314,894</u>	<u>1,514,033</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>180,034</u>	<u>370,225</u>

Financial assets measured at amortised cost comprise trade and other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

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**18. Share capital**

	<b>30 June 2019 £</b>	<b>31 March 2018 £</b>
<b>Allotted, called up and fully paid</b>		
468 (2018 - 468) Ordinary shares of £1 each	<b>468</b>	<b>468</b>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

**19. Reserves**

**Capital redemption reserve**

This reserve records the nominal value of shares repurchased by the Company.

**Profit and loss account**

The profit and loss account contains current and prior periods retained profits and loss.

**20. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £12,959 (2018: £7,375). Contributions totalling £6,912 (2018: £3,533) were payable to the fund at the reporting date and are included in creditors.

**21. Commitments under operating leases**

At 30 June 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>30 June 2019 £</b>	<b>31 March 2018 £</b>
Not later than 1 year	<b>3,920</b>	<b>3,920</b>
Later than 1 year and not later than 5 years	<b>15,680</b>	<b>14,063</b>
Later than 5 years	<b>169,978</b>	<b>62,794</b>
	<b>189,578</b>	<b>80,777</b>



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**22. Post balance sheet events**

On 30 September 2019, the Company sold all of its stocks to Barhale Construction Services Limited, (Parent Company) and subsequently traded under the name Barhale Construction Services Limited.

**23. Contingent liabilities**

There were no contingent liabilities on 30 June 2019 or 31 March 2018.

**24. Related party transactions**

The Company has taken advantage of the exemption available within Section 33 of FRS 102 to not disclose transactions with other wholly owned members of the group headed by Barhale Holdings Plc.

**25. Controlling party**

Until 16 November 2018, there was no ultimate controlling party.

On 16 November 2018, the Company's share capital was acquired by Barhale Construction Services Limited, a wholly owned subsidiary of Barhale Holdings Plc. As a result, Barhale Holdings Plc is now the ultimate parent company and the Company's ultimate controlling party is D A Curran.

Barhale Holdings Plc is the largest and smallest group of undertakings into which the results of the Company are consolidated. The financial statements of Barhale Holdings Plc are available from Companies House.