

Strategic Report,
Report of the Directors and
Audited Financial Statements
for the Year Ended 31 March 2018
for
Ashley Ann Limited

FRIDAY



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02/11/2018
COMPANIES HOUSE

Victor T Fraser & Co Limited
Chartered Accountants and Statutory Auditor
3-4 Market Place
Wick
Caithness
KW1 4LP

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for the Year Ended 31 March 2018

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Ashley Ann Limited
Company Information
for the Year Ended 31 March 2018

DIRECTORS: S J Bremner
Mrs E M Bremner

SECRETARY: Mrs E M Bremner

REGISTERED OFFICE: Unit 4A Airport Industrial Estate
Wick
Caithness
KW1 4QS

REGISTERED NUMBER: SC098823 (Scotland)

AUDITORS: Victor T Fraser & Co Limited
Chartered Accountants and Statutory Auditor
3-4 Market Place
Wick
Caithness
KW1 4LP

BANKERS: The Royal Bank of Scotland
5th Floor Tay House
300 Bath Street
Glasgow
G2 4RS

Strategic Report
for the Year Ended 31 March 2018

The directors present their strategic report for the year ended 31 March 2018.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

This year has seen continued steady growth. Sales have increased by £1.1m (7%) on last year.

The company continues to remain profitable and has generated an EBITDA of £670,135 (2017- £607,041) for the year.

The outlook for 2018-19 is cautious. We have implemented a further expansion plan in England together with renewed focus on contract sales with Housebuilders. We do not expect to grow at the same level as we have in the past few years due to the ongoing impact of Brexit and continued uncertainty in the marketplace.

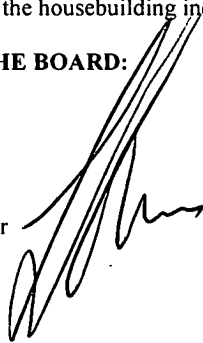
PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties affecting the business arise from changes in interest rates, an increase in competition and any potential downturn in the housebuilding industry, along with consumer confidence.

ON BEHALF OF THE BOARD:

S J Bremner - Director

31 October 2018



Report of the Directors
for the Year Ended 31 March 2018

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

DIVIDENDS

An interim dividend of £2.50 per share was paid on 31 March 2018. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2018 will be £25,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2017 to the date of this report.

S J Bremner
Mrs E M Bremner

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Victor T Fraser & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



S J Bremner - Director

31 October 2018

Report of the Independent Auditors to the Members of
Ashley Ann Limited

Opinion

We have audited the financial statements of Ashley Ann Limited (the 'company') for the year ended 31 March 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements 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 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 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 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.

Report of the Independent Auditors to the Members of
Ashley Ann Limited

Auditors' 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

H M Stewart Busby C. A.

H M Stewart Busby C A (Senior Statutory Auditor)
for and on behalf of Victor T Fraser & Co Limited
Chartered Accountants and Statutory Auditor
3-4 Market Place
Wick
Caithness
KW1 4LP

31 October 2018

**Income Statement
for the Year Ended 31 March 2018**

	Notes	2018 £	2017 £
TURNOVER	3	16,918,866	15,789,999
Cost of sales		<u>9,284,972</u>	<u>8,695,953</u>
GROSS PROFIT		7,633,894	7,094,046
Administrative expenses		<u>7,366,854</u>	<u>6,921,111</u>
		267,040	172,935
Other operating income		<u>95,419</u>	<u>89,596</u>
OPERATING PROFIT	5	362,459	262,531
Interest payable and similar expenses	6	<u>69,027</u>	<u>97,003</u>
PROFIT BEFORE TAXATION		293,432	165,528
Tax on profit	7	<u>77,393</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>216,039</u></u>	<u><u>165,528</u></u>

Ashley Ann Limited (Registered number: SC098823)

Other Comprehensive Income
for the Year Ended 31 March 2018

	Notes	2018 £	2017 £
PROFIT FOR THE YEAR		216,039	165,528
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>216,039</u>	<u>165,528</u>

The notes form part of these financial statements

Balance Sheet
31 March 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	9	3,409,031	3,059,938
CURRENT ASSETS			
Stocks	10	605,540	536,476
Debtors	11	1,823,415	1,837,231
Cash at bank and in hand		<u>535,161</u>	<u>600,303</u>
		2,964,116	2,974,010
CREDITORS			
Amounts falling due within one year	12	<u>3,211,103</u>	<u>4,140,435</u>
NET CURRENT LIABILITIES		<u>(246,987)</u>	<u>(1,166,425)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,162,044	1,893,513
CREDITORS			
Amounts falling due after more than one year	13	(1,265,476)	(381,007)
PROVISIONS FOR LIABILITIES	17	(77,393)	-
ACCRUALS AND DEFERRED INCOME	18	<u>(252,008)</u>	<u>(136,378)</u>
NET ASSETS		<u>1,567,167</u>	<u>1,376,128</u>
CAPITAL AND RESERVES			
Called up share capital	19	10,000	10,000
Retained earnings	20	<u>1,557,167</u>	<u>1,366,128</u>
SHAREHOLDERS' FUNDS		<u>1,567,167</u>	<u>1,376,128</u>

The financial statements were approved by the Board of Directors on 31 October 2018 and were signed on its behalf by:


S J Bremner - Director

Statement of Changes in Equity
for the Year Ended 31 March 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2016	10,000	1,217,266	1,227,266
Changes in equity			
Dividends	-	(16,666)	(16,666)
Total comprehensive income	-	<u>165,528</u>	<u>165,528</u>
Balance at 31 March 2017	<u>10,000</u>	<u>1,366,128</u>	<u>1,376,128</u>
Changes in equity			
Dividends	-	(25,000)	(25,000)
Total comprehensive income	-	<u>216,039</u>	<u>216,039</u>
Balance at 31 March 2018	<u>10,000</u>	<u>1,557,167</u>	<u>1,567,167</u>

**Cash Flow Statement
for the Year Ended 31 March 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	691,967	815,734
Interest paid		(44,636)	(69,716)
Interest element of hire purchase payments paid		<u>(24,391)</u>	<u>(27,287)</u>
Net cash from operating activities		<u>622,940</u>	<u>718,731</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,029,625)	(226,747)
Sale of tangible fixed assets		<u>414,666</u>	<u>59,780</u>
Net cash from investing activities		<u>(614,959)</u>	<u>(166,967)</u>
Cash flows from financing activities			
New loans in year		1,000,000	-
Loan repayments in year		(725,639)	(49,050)
Capital repayments in year		(76,199)	(170,337)
Amounts withdrawn by directors		(19,676)	-
Equity dividends paid		<u>(25,000)</u>	<u>(16,666)</u>
Net cash from financing activities		<u>153,486</u>	<u>(236,053)</u>
Increase in cash and cash equivalents		<u>161,467</u>	<u>315,711</u>
Cash and cash equivalents at beginning of year	2	26,871	(288,840)
Cash and cash equivalents at end of year	2	<u><u>188,338</u></u>	<u><u>26,871</u></u>

Notes to the Cash Flow Statement
for the Year Ended 31 March 2018

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

	2018	2017
	£	£
Profit before taxation	293,432	165,528
Depreciation charges	320,775	395,797
Loss/(profit) on disposal of fixed assets	7,841	(5,538)
Finance costs	<u>69,027</u>	<u>97,003</u>
	691,075	652,790
(Increase)/decrease in stocks	(69,064)	106,971
Decrease in trade and other debtors	33,492	5,125
Increase in trade and other creditors	<u>36,464</u>	<u>50,848</u>
Cash generated from operations	<u>691,967</u>	<u>815,734</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2018

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	535,161	600,303
Bank overdrafts	<u>(346,823)</u>	<u>(573,432)</u>
	<u>188,338</u>	<u>26,871</u>

Year ended 31 March 2017

	31.3.17	1.4.16
	£	£
Cash and cash equivalents	600,303	255,213
Bank overdrafts	<u>(573,432)</u>	<u>(544,053)</u>
	<u>26,871</u>	<u>(288,840)</u>

Notes to the Financial Statements
for the Year Ended 31 March 2018

1. STATUTORY INFORMATION

Ashley Ann Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents the fair value of the sale of goods and services to external customers net of value added tax and discounts. Turnover is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Tangible fixed assets

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

Freehold property	- 2% on cost
Tenants Improvements	- over the period of the lease
Investment properties	- not provided
Plant and machinery	- 10% on cost
Fixtures and fittings	- 25% on cost and 10% on cost
Motor vehicles	- 25% on reducing balance

Tangible fixed assets, other than investment properties, are initially stated at cost less accumulated depreciation and any accumulated depreciation and any accumulated impairment losses.

Investment properties are carried at fair value.

Stocks

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Foreign currencies

Transactions in overseas currencies are translated at the exchange rate ruling at the date of the transaction or, where forward cover contracts have been arranged, at the contracted rates.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the balance sheet date or at a contracted rate if applicable and any exchange differences arising are taken to the profit and loss account.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

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

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial statements.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the next amounts presented in the financial statements, when there is legally 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.

Basic financial assets

Basic financial assets, which include trade and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets and liabilities

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity. Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

2. ACCOUNTING POLICIES - continued

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Basic financial liabilities, including trade and other creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financial transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Fixed asset investments

Investments held as fixed assets are stated at cost less any provisions for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2018 £	2017 £
Sales of goods	<u>16,918,866</u>	<u>15,789,999</u>
	<u>16,918,866</u>	<u>15,789,999</u>

4. EMPLOYEES AND DIRECTORS

	2018 £	2017 £
Wages and salaries	4,402,548	4,044,907
Social security costs	416,629	368,538
Other pension costs	<u>84,579</u>	<u>72,592</u>
	<u>4,903,756</u>	<u>4,486,037</u>

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

	2018	2017
Production	126	113
Administration and Support	<u>50</u>	<u>45</u>
	<u>176</u>	<u>158</u>

	2018 £	2017 £
Directors' remuneration	<u>101,521</u>	<u>98,396</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

5. OPERATING PROFIT

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

	2018	2017
	£	£
Operating lease cost - plant and machinery	4,508	8,050
Depreciation - owned assets	235,772	327,001
Depreciation - assets on hire purchase contracts	85,003	68,794
Loss/(profit) on disposal of fixed assets	7,841	(5,535)
Auditors' remuneration	5,380	5,000
Auditors' remuneration - non audit services	1,000	1,000
Government Grants released	(20,940)	(45,752)
Operating lease costs - other assets	<u>344,633</u>	<u>340,007</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Bank interest	43,901	46,535
Interest rate swaps	735	23,181
Hire purchase	<u>24,391</u>	<u>27,287</u>
	<u>69,027</u>	<u>97,003</u>

7. TAXATION

Analysis of the tax charge

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

	2018	2017
	£	£
Deferred tax	<u>77,393</u>	-
Tax on profit	<u>77,393</u>	-

Reconciliation of total tax charge included in profit and loss

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

	2018	2017
	£	£
Profit before tax	<u>293,432</u>	<u>165,528</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	55,752	33,106
Effects of:		
Expenses not deductible for tax purposes	15,636	-
Utilisation of tax losses	-	(33,106)
Adjustments to tax charge in respect of previous periods	6,005	-
	<u>77,393</u>	-
Total tax charge	<u>77,393</u>	-

8. DIVIDENDS

	2018	2017
	£	£
Ordinary shares of £1 each		
Interim	<u>25,000</u>	<u>16,666</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

9. **TANGIBLE FIXED ASSETS**

	Freehold property £	Tenants Improvements £	Investment properties £
COST			
At 1 April 2017	1,154,464	525,080	360,000
Additions	655,718	-	-
Disposals	-	-	(360,000)
At 31 March 2018	<u>1,810,182</u>	<u>525,080</u>	<u>-</u>
DEPRECIATION			
At 1 April 2017	21,899	448,376	-
Charge for year	23,089	37,876	-
Eliminated on disposal	-	-	-
At 31 March 2018	<u>44,988</u>	<u>486,252</u>	<u>-</u>
NET BOOK VALUE			
At 31 March 2018	<u>1,765,194</u>	<u>38,828</u>	<u>-</u>
At 31 March 2017	<u>1,132,565</u>	<u>76,704</u>	<u>360,000</u>

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2017	2,291,906	1,053,583	135,710	5,520,743
Additions	93,599	343,058	-	1,092,375
Disposals	-	(131,875)	-	(491,875)
At 31 March 2018	<u>2,385,505</u>	<u>1,264,766</u>	<u>135,710</u>	<u>6,121,243</u>
DEPRECIATION				
At 1 April 2017	1,429,015	440,978	120,537	2,460,805
Charge for year	135,353	113,659	10,798	320,775
Eliminated on disposal	-	(69,368)	-	(69,368)
At 31 March 2018	<u>1,564,368</u>	<u>485,269</u>	<u>131,335</u>	<u>2,712,212</u>
NET BOOK VALUE				
At 31 March 2018	<u>821,137</u>	<u>779,497</u>	<u>4,375</u>	<u>3,409,031</u>
At 31 March 2017	<u>862,891</u>	<u>612,605</u>	<u>15,173</u>	<u>3,059,938</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

9. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 April 2017	680,352	32,500	712,852
Additions	62,750	-	62,750
Transfer to ownership	(13,229)	-	(13,229)
Reclassification/transfer	<u>71,400</u>	<u>-</u>	<u>71,400</u>
At 31 March 2018	<u>801,273</u>	<u>32,500</u>	<u>833,773</u>
DEPRECIATION			
At 1 April 2017	110,614	22,851	133,465
Charge for year	76,878	8,125	85,003
Transfer to ownership	<u>(3,969)</u>	<u>-</u>	<u>(3,969)</u>
At 31 March 2018	<u>183,523</u>	<u>30,976</u>	<u>214,499</u>
NET BOOK VALUE			
At 31 March 2018	<u>617,750</u>	<u>1,524</u>	<u>619,274</u>
At 31 March 2017	<u>569,738</u>	<u>9,649</u>	<u>579,387</u>

10. STOCKS

	2018 £	2017 £
Raw materials	522,975	422,135
Work-in-progress	<u>82,565</u>	<u>114,341</u>
	<u>605,540</u>	<u>536,476</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	1,712,026	1,715,396
Other debtors	50,000	50,000
Directors' current accounts	19,885	209
Prepayments and accrued income	<u>41,504</u>	<u>71,626</u>
	<u>1,823,415</u>	<u>1,837,231</u>

The amount of debts included in trade debtors at the balance sheet date subject to the invoice discounting agreement is £1,024,611 (2017 - £1,064,129).

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Bank loans and overdrafts (see note 14)	399,323	1,299,071
Hire purchase contracts (see note 15)	150,146	120,010
Trade creditors	1,491,684	1,563,926
Social security and other taxes	116,131	109,748
VAT	168,210	169,283
Other creditors	-	1,980
Accruals and deferred income	<u>885,609</u>	<u>876,417</u>
	<u>3,211,103</u>	<u>4,140,435</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Bank overdrafts include an amount of £346,823 (2017 - £573,432) in respect of debts subject to the invoice discounting agreement.

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

	2018 £	2017 £
Bank loans (see note 14)	947,500	-
Hire purchase contracts (see note 15)	317,976	361,561
Other creditors	-	19,446
	<u>1,265,476</u>	<u>381,007</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year or on demand:		
Bank overdrafts	346,823	573,432
Bank loans	<u>52,500</u>	<u>725,639</u>
	<u>399,323</u>	<u>1,299,071</u>

Amounts falling due between one and two years:

Bank loans - 1-2 years	<u>52,500</u>	<u>-</u>
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Amounts falling due between two and five years:

Bank loans - 2-5 years	<u>157,500</u>	<u>-</u>
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Amounts falling due in more than five years:

Repayable by instalments		
Bank loans more 5 yr by instal	<u>737,500</u>	<u>-</u>

The bank loan and overdraft are from the Royal Bank of Scotland plc.

The invoice discounting facility is provided by Royal Bank Invoice Finance Ltd. The invoice discounting facility charges are 3.0%.

In December 2017, the existing bank loan was refinanced with a new bank loan of £1,000,000. Repayments on the new loan will commence in April 2018 and repayments will be £7,211 per month thereafter. The interest rate on the new bank loan will be 2.95% over the Base Rate.

15. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Net obligations repayable:		
Within one year	150,146	120,010
Between one and five years	317,976	358,385
In more than five years	<u>-</u>	<u>3,176</u>
	<u>468,122</u>	<u>481,571</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

16. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017
	£	£
Bank overdrafts	346,823	573,432
Bank loans	1,000,000	725,639
Hire purchase contracts	<u>468,122</u>	<u>481,571</u>
	<u><u>1,814,945</u></u>	<u><u>1,780,642</u></u>

The Bank overdraft and loan is secured by a bond and floating charge over the whole of the assets of the company.

The Bank also holds a Standard Security over the company's properties.

Hire purchase contracts are secured over the assets subject to the hire purchase agreements.

Bank overdrafts include an amount of £346,823 (2017 - £573,432) in respect of debts subject to the invoice discounting agreement.

17. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax	<u>77,393</u>	<u>-</u>
		Deferred tax
		£
Provided during year		77,393
Released in year		<u>-</u>
Balance at 31 March 2018		<u><u>77,393</u></u>

18. ACCRUALS AND DEFERRED INCOME

	Deferred government grants
	£
Balance at 1 April 2017	136,378
Additional provision in year	136,570
Amounts released in year	<u>(20,940)</u>
Balance at 31 March 2018	<u><u>252,008</u></u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2018	2017
Number:	Class:	Nominal value:	£	£
10,000	Ordinary	£1	<u><u>10,000</u></u>	<u><u>10,000</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

20. RESERVES

	Retained earnings £
At 1 April 2017	1,366,128
Profit for the year	216,039
Dividends	<u>(25,000)</u>
At 31 March 2018	<u>1,557,167</u>

21. PENSION COMMITMENTS

Staff pension scheme is a money purchase scheme.

Cost of scheme to the company in the period ended 31 March 2018 was £84,579 (2017 £72,592).

Contributions totalling £30,491 (2017 - £28,889) were payable to the fund at the year end and are included in accruals of this £20,939 (2017 - £19,839) were employer contributions.

22. OTHER FINANCIAL COMMITMENTS

Commitments under operating leases	£
At 31 March 2018, the company had minimum lease payments under non-cancellable operating leases as follows:	
Within one year	342,324
Within two to five years	730,406
Over five years	368,832

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 March 2018 and 31 March 2017:

	2018 £	2017 £
S J Bremner and Mrs E M Bremner		
Balance outstanding at start of year	(209)	(2,950)
Amounts advanced	(127,429)	-
Amounts repaid	107,751	2,741
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(19,887)</u>	<u>(209)</u>

The loan was interest-free and was repaid within nine months of the end of the financial year.

24. RELATED PARTY DISCLOSURES

During the year, total dividends of £15,000 were paid to the directors.

25. ULTIMATE CONTROLLING PARTY

The company is under the control of the directors who own 60% of the ordinary share capital.