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COMPANY REGISTRATION NUMBER: 837751

HANSON FAMILY HOLDINGS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2016



HANSON FAMILY HOLDINGS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2016

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HANSON FAMILY HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR	The Hon R W Hanson (Chairman)
REGISTERED OFFICE	7 Ashgrove Road Huddersfield HD2 1FQ
AUDITOR	Gibson Booth Chartered Accountants & Statutory Auditor New Court Abbey Road North Shepley Huddersfield HD8 8BJ
BANKERS	HSBC HSBC House 1 Bond Court Leeds LS1 2JZ
SOLICITORS	Mishcon de Reya Summit House 12 Red Lion Square London WC1R 4QD

HANSON FAMILY HOLDINGS LIMITED

STRATEGIC REPORT

YEAR ENDED 30 JUNE 2016

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal activities are the co-ordination of the group and the provision of management services for the subsidiary undertaking and other companies. The principal activities of the subsidiary undertaking during the period were to continue to provide warehousing, distribution, forwarding and agency services, site services management, repacking, blending and sampling.

Turnover decreased this year to £3,824,808 (2015: £4,101,270) but the Group made a profit for the financial year of £74,999 (2015: loss of £25,926, £55,074 profit before FRS 102 adjustment).

We are very pleased with how the site development has gone over the last few years, we have built one new custom warehouse and are in the process of adding a further building in the next 12 months. These extra development opportunities have been driven by our customers' demands as they say they like what we do and want to increase their business with us. We have been told on many occasions that our customer service levels are at a very high standard and that now we are their number one warehouse provider.

We strive to provide our customers with the perfect warehousing and logistics facility, the "one stop shop", by providing a complete service. Our expansion into added value services such as sampling, blending, bottling and repacking have allowed our customers to leave everything to us. If we don't currently do what they are looking for then we will see if we can, in partnership with our customers we aim to find a solution to almost any situation.

In the last few years we have acquired several new customers who have now become much larger customers through building a relationship based on excellent service and trust. We see ourselves as an extension to our customers' customer.

A large area for potential growth is within our repacking activity as we are now starting to invest in much more specialist equipment as customers' demands are becoming much more varied.

In order to continue to provide excellent customer service our distribution fleet now provides greater emphasis for our warehouse customers' requirements. This ensures quality is maintained throughout the whole warehousing and distribution chain from receipt to the final delivered product.

Repacking is becoming a key activity for the business, by providing our customers with the flexibility to have products delivered in varying volume sizes and then repacked into sizes driven by their customer demands. We have expanded our activity to now include liquid mixing, heating and bottling, powder blending and bagging.

Warehousing in the UK is becoming harder to find and COMAH warehousing in particular is now very rare. As an Upper Tier COMAH site we have now become a key player in the market. We have all the accreditations that you would expect from such a site and having recently completed our 5 year mandatory safety report (approved by the Competent Authority) which shows that we have the management systems in place to control risks.

We continue to spend on IT infrastructure ensuring that the systems we use are the most up to date. In the year we updated our server and backup systems along with off-site backup and cloud services.

During the year the Company made pension deficit payments into the Company Final Salary scheme (closed to new entrants in 1986) of £40k as recommended by the Actuary. A payment of £11k was also made to the Pension Protection Fund.

The Chairman and Shareholders have confirmed their continued support for the Business.

PRINCIPAL RISKS AND UNCERTAINTIES

Monitoring risk is a key objective of the Company and a full risk register and Disaster Recovery Plan are kept up to date. These cover all areas such as power cuts, IT disasters and access restrictions to site. We regularly check this plan by testing certain areas and making changes if required.

Other areas of risk to our business are mainly external risk factors, such as changes to legislation. These risks however we see as very low risk as we are more than capable of adapting to these over time.

We have a planned preventative maintenance programme in place to cover areas such as gas & electrical appliances, drains, gutters etc. which reduces the risk of business downtime.

This report was approved by the board of directors on 16/12/16 and signed on behalf of the board by:

X *Robert W Hanson*

The Hon R W Hanson
Director

Registered office:
7 Ashgrove Road
Huddersfield
HD2 1FQ

HANSON FAMILY HOLDINGS LIMITED

DIRECTOR'S REPORT

YEAR ENDED 30 JUNE 2016

The director presents his report and the financial statements of the group for the year ended 30 June 2016.

DIRECTOR

The director who served the company during the year was as follows:

The Hon R W Hanson (Chairman)

DIVIDENDS

The director does not recommend the payment of a dividend.

FUTURE DEVELOPMENTS

In the short term the subsidiary is planning to expand its repacking activity by purchasing new equipment so that it can offer even more options for its existing and any potential new customers. In the longer term it will be looking to develop the site further to allow even more expansion for the warehousing and repacking activities.

EMPLOYMENT OF DISABLED PERSONS

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

EMPLOYEE INVOLVEMENT

During the year, the policy of providing employees with information about the group has been continued.

FINANCIAL RISK MANAGEMENT

New customers of the subsidiary undertaking are subject to credit checking and submission of trade references to ensure that they are commercially viable and do not pose a bad debt risk to the company. Credit limits are set for customers where possible thus insuring against the risk of insolvency.

The subsidiary undertaking's main exposure to price risk in the past was fuel prices, since downsizing the fleet a few years ago it feels this is no longer a risk. The subsidiary undertaking feels that any financial risks are now very small and only commercial risks become a factor. These risks are managed by its experienced management team on a day to day basis.

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.

A resolution to reappoint Gibson Booth as auditors will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board of directors on 16/12/16 and signed on behalf of the board by:



The Hon R W Hanson
Director

Registered office:
7 Ashgrove Road
Huddersfield
HD2 1FQ

HANSON FAMILY HOLDINGS LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

YEAR ENDED 30 JUNE 2016

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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. He is 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.

HANSON FAMILY HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HANSON FAMILY HOLDINGS LIMITED

YEAR ENDED 30 JUNE 2016

We have audited the financial statements of Hanson Family Holdings Limited for the year ended 30 June 2016 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Alistair Russell FCA (Senior Statutory Auditor)

For and on behalf of
Gibson Booth
Chartered Accountants & Statutory Auditor

New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

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HANSON FAMILY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2016

		2016	2015
	Note	£	£
TURNOVER	3	3,824,808	4,101,270
Cost of sales		(2,492,839)	(2,868,260)
GROSS PROFIT		1,331,969	1,233,010
Administrative expenses		(1,199,258)	(1,355,041)
Other operating income	4	—	150,000
OPERATING PROFIT	5	132,711	27,969
Share of (loss)/profit of joint ventures	13	(2,170)	1,882
Interest receivable and similar income		2,403	2,403
Interest payable and similar charges	9	(57,945)	22,820
FRS 102 adjustment to net finance costs in respect of defined benefit pension plans	26	—	(81,000)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		74,999	(25,926)
Tax on profit/(loss) on ordinary activities	10	—	—
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>74,999</u>	<u>(25,926)</u>
Revaluation of tangible assets		—	352,764
Remeasurement of the net defined benefit plan		(50,000)	(55,000)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		<u>(50,000)</u>	<u>297,764</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>24,999</u>	<u>271,838</u>

All the activities of the group are from continuing operations.

The notes on pages 12 to 23 form part of these financial statements.

HANSON FAMILY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	12	3,138,866	3,057,108
Investments:	13		
Investments in joint-ventures		(1,915)	255
		<u>3,136,951</u>	<u>3,057,363</u>
CURRENT ASSETS			
Stocks	14	57,118	37,299
Debtors	15	837,751	958,728
Cash at bank and in hand	16	456	335
		<u>895,325</u>	<u>994,362</u>
CREDITORS: amounts falling due within one year	17	(1,570,372)	(1,782,261)
NET CURRENT LIABILITIES		<u>(675,047)</u>	<u>(787,899)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,461,904</u>	<u>2,269,464</u>
CREDITORS: amounts falling due after more than one year	18	(622,207)	(431,356)
PROVISIONS			
Other provisions	20	(46,133)	(80,543)
NET ASSETS EXCLUDING DEFINED BENEFIT PENSION PLAN LIABILITY		<u>1,793,564</u>	<u>1,777,565</u>
Defined benefit pension plan liability	21	(629,000)	(638,000)
NET ASSETS INCLUDING DEFINED BENEFIT PENSION PLAN LIABILITY		<u>1,164,564</u>	<u>1,139,565</u>
CAPITAL AND RESERVES			
Called up share capital	22	1,650,000	1,650,000
Revaluation reserve	23	375,440	376,440
Other reserves	23	362,084	362,084
Profit and loss account	23	(1,222,960)	(1,247,959)
SHAREHOLDERS FUNDS		<u>1,164,564</u>	<u>1,139,565</u>

These financial statements were approved by the board of directors and authorised for issue on 16/12/16, and are signed on behalf of the board by:

X *Robert W Hanson*

The Hon R W Hanson (Chairman)
Director

Company registration number: 837751

The notes on pages 12 to 23 form part of these financial statements.

HANSON FAMILY HOLDINGS LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

30 JUNE 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Investments	13	1,507,033	1,480,170
CURRENT ASSETS			
Debtors	15	51,879	54,275
Cash at bank and in hand	16	80	669
		51,959	54,944
CREDITORS: amounts falling due within one year	17	(392,033)	(395,306)
NET CURRENT LIABILITIES		(340,074)	(340,362)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,166,959</u>	<u>1,139,808</u>
NET ASSETS		<u>1,166,959</u>	<u>1,139,808</u>
CAPITAL AND RESERVES			
Called up share capital	22	1,650,000	1,650,000
Profit and loss account	23	(483,041)	(510,192)
SHAREHOLDERS FUNDS		<u>1,166,959</u>	<u>1,139,808</u>

These financial statements were approved by the board of directors and authorised for issue on 16/12/16, and are signed on behalf of the board by:

X *Robert W Hanson*

The Hon R W Hanson (Chairman)
Director

Company registration number: 837751

The notes on pages 12 to 23 form part of these financial statements.

HANSON FAMILY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2016

	Note	Called up share capital £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total £
AT 1 JULY 2014		1,650,000	22,676	362,084	(1,167,033)	867,727
Loss for the year					(25,926)	(25,926)
Other comprehensive income for the year:						
Revaluation of tangible assets	12	-	352,764	-	-	352,764
Remeasurement of the net defined benefit plan	21	-	-	-	(55,000)	(55,000)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	352,764	-	(80,926)	271,838
AT 30 JUNE 2015		1,650,000	375,440	362,084	(1,247,959)	1,139,565
Profit for the year					74,999	74,999
Other comprehensive income for the year:						
Remeasurement of the net defined benefit plan	21	-	-	-	(50,000)	(50,000)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-	-	24,999	24,999
AT 30 JUNE 2016		<u>1,650,000</u>	<u>375,440</u>	<u>362,084</u>	<u>(1,222,960)</u>	<u>1,164,564</u>

The notes on pages 12 to 23 form part of these financial statements.

HANSON FAMILY HOLDINGS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 JUNE 2016

	Called up share capital £	Profit and loss account £	Total £
AT 1 JULY 2014	1,650,000	(780,146)	869,854
Loss for the year		269,954	269,954
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	269,954	269,954
AT 30 JUNE 2015	1,650,000	(510,192)	1,139,808
Profit for the year		27,151	27,151
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	27,151	27,151
AT 30 JUNE 2016	<u>1,650,000</u>	<u>(483,041)</u>	<u>1,166,959</u>

The notes on pages 12 to 23 form part of these financial statements.

HANSON FAMILY HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 30 JUNE 2016

		2016	2015
	Note	£	£
Cash generated from operations	24	335,120	181,263
Interest paid		(35,945)	(31,180)
Interest received		2,403	2,403
Net cash from operating activities		<u>301,578</u>	<u>152,486</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible assets		(165,336)	(15,495)
Proceeds from sale of tangible assets		6,400	20,517
Net cash (used in)/from investing activities		<u>(158,936)</u>	<u>5,022</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		(82,569)	(177,102)
Payments of finance lease liabilities		(259,995)	(105,559)
Net cash used in financing activities		<u>(342,564)</u>	<u>(282,661)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		<u>(199,922)</u>	<u>(125,153)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>(137,668)</u>	<u>(12,515)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	16	<u>(337,590)</u>	<u>(137,668)</u>

The notes on pages 12 to 23 form part of these financial statements.

HANSON FAMILY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2016

1. 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' and in accordance with the Companies Act 2006.

2. ACCOUNTING POLICIES

General information and basis of preparation

Hanson Family Holdings Limited is a limited company incorporated in England. The address of the registered office is given on page 1. The principal activities of the company are the co-ordination of the group and the provision of management services for the subsidiary undertaking and other companies.

The financial statements have been prepared on a going concern basis and under the historical cost basis, as modified by the revaluation of certain fixed assets to fair value.

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

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 July 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 26.

Consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings, together with the group's share of the net assets and results of associated and joint venture undertakings. These are adjusted, where appropriate, to conform to group accounting policies. As a consolidated statement of comprehensive income is published, a separate statement of comprehensive income for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

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.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

No significant judgements have been made in the process of applying the entity's accounting policies.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Defined benefit pension scheme

The group has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation are determined using actuarial valuations which make assumptions about a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. These factors are estimated in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 21 for the disclosures relating to the defined benefit pension scheme.

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 values 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. See note 12 for the carrying amount of the tangible assets, and note 2 for the depreciation rates used for each class of assets.

Accruals and prepayments

The company accrues income and expenses based on matching revenues and costs that result from the same transactions or events. The level of revenue or cost attached to each transaction or event is reviewed regularly by management.

HANSON FAMILY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 JUNE 2016

2. ACCOUNTING POLICIES *(continued)*

Revenue recognition

Turnover represents amounts invoiced during the year, exclusive of Value Added Tax.

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.

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:

Leasehold property	-	Equal instalments over 50 years
Plant and machinery	-	Equal instalments over 5 to 10 years
Motor vehicles	-	Equal instalments over 2 to 6 years

Investments in subsidiary undertakings

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

Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the joint venture.

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, comprising road fuel, are stated at purchase cost on a first-in, first-out basis.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

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.

HANSON FAMILY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30 JUNE 2016

2. ACCOUNTING POLICIES (continued)

Pension costs

The group operates both a defined benefit and a defined contribution pension scheme for employees.

The assets of the defined benefit scheme are held separately from those of the group. The scheme's assets are valued at fair value at the balance sheet date. Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value using the discount rate equivalent to the current rate of return on a high quality corporate bond.

The pension scheme deficit is recognised in full on the balance sheet.

The service cost of providing pension and other post-retirement benefits to employees for the period is charged to the operating profit or loss in the period. The full cost of providing amendments to benefits in respect of past service is also charged to the operating profit or loss in the period.

A net interest expenses, based on the net defined benefit, is recognised in the profit and loss account. Pension scheme assets are measured using fair value. Scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Differences between actual and expected returns on assets during the period are recognised as other comprehensive income in the period, together with differences from changes in assumptions. The net deficit on defined benefit schemes is reported on the balance sheet within the pension liability. This is net of related deferred tax.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown either as accruals or prepayments in the balance sheet.

3. TURNOVER

Turnover arises from:

	2016 £	2015 £
Rendering of services	<u>3,824,808</u>	<u>4,101,270</u>

All turnover was generated in the United Kingdom from the activities of providing distribution and warehousing services and the contracting out of commercial vehicles.

4. OTHER OPERATING INCOME

	2016 £	2015 £
Capital contribution	<u>—</u>	<u>150,000</u>

5. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible assets	164,886	163,357
Gains on disposal of tangible assets	(2,658)	(12,117)
Defined contribution plans expense	47,770	37,826
Defined benefit plans expense	25,000	30,000
Operating lease costs	<u>80,660</u>	<u>142,704</u>

6. AUDITOR'S REMUNERATION

	2016 £	2015 £
Fees payable for the audit of the financial statements	<u>2,000</u>	<u>2,000</u>

HANSON FAMILY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30 JUNE 2016

7. STAFF COSTS

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

	2016 No.	2015 No.
Group administration	1	1
Distribution services and hiring out commercial vehicles	68	75
	<u>69</u>	<u>76</u>

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

	2016 £	2015 £
Wages and salaries	1,737,204	1,863,428
Social security costs	159,854	168,922
Other pension costs	50,770	40,826
	<u>1,947,828</u>	<u>2,073,176</u>

8. DIRECTOR'S REMUNERATION

The director's aggregate remuneration in respect of qualifying services was:

	2016 £	2015 £
Remuneration	<u>865</u>	<u>2,263</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Interest on banks loans and overdrafts	13,705	21,330
Interest on obligations under hire purchase contracts	22,240	9,850
Net finance costs in respect of defined benefit pension plans	22,000	(54,000)
	<u>57,945</u>	<u>(22,820)</u>

10. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

Reconciliation of tax income

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

	2016 £	2015 £
Profit/(loss) on ordinary activities before taxation	74,999	(25,926)
Profit/(loss) on ordinary activities by rate of tax	15,001	(5,183)
Effect of expenses not deductible for tax purposes	2,701	25,607
Effect of capital allowances and depreciation	(24,753)	(5,855)
Utilisation of tax losses	(12,691)	(14,800)
Unused tax losses	19,742	231
Tax on profit/(loss) on ordinary activities	<u>-</u>	<u>-</u>

11. PROFIT FOR THE YEAR OF THE PARENT COMPANY

The profit for the financial year of the parent company was £27,151 (2015: £269,954).

HANSON FAMILY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 JUNE 2016

12. TANGIBLE ASSETS

Group	Leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 July 2015	2,450,000	1,300,811	464,463	4,215,274
Additions	—	144,286	106,100	250,386
Disposals	—	(105,813)	(22,650)	(128,463)
At 30 June 2016	2,450,000	1,339,284	547,913	4,337,197
Depreciation				
At 1 July 2015	—	863,837	294,329	1,158,166
Charge for the year	26,980	89,987	47,919	164,886
Disposals	—	(104,517)	(20,204)	(124,721)
At 30 June 2016	26,980	849,307	322,044	1,198,331
Carrying amount				
At 30 June 2016	2,423,020	489,977	225,869	3,138,866
At 30 June 2015	2,450,000	436,974	170,134	3,057,108

The company has no tangible assets.

Tangible assets held at valuation

The long leasehold land and buildings were last revalued on 1 May 2015 on an existing use basis in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors by external valuers, Eddisons Commercial Chartered Surveyors.

Included in the net book value of leasehold land and buildings is £1,100,000 (2015: £1,100,000) relating to non-depreciable land.

In respect of tangible assets held at valuation, the comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

Group	Leasehold property £
At 30 June 2016	1,890,227
At 30 June 2015	1,945,421

Hire purchase agreements

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

Group	Plant and machinery £	Motor vehicles £	Total £
At 30 June 2016	—	93,260	93,260
At 30 June 2015	166,198	134,802	301,000

HANSON FAMILY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30 JUNE 2016

13. INVESTMENTS

Group	Joint ventures £		
Share of net assets/cost			
At 1 July 2015			255
Share of profit or loss			(2,170)
At 30 June 2016			<u>(1,915)</u>
Impairment			
At 1 Jul 2015 and 30 Jun 2016			<u>-</u>
Carrying amount			
At 30 June 2016			<u>(1,915)</u>
At 30 June 2015			<u>255</u>
Company	Shares in group undertakings £	Shares in participating interests £	Total £
Cost			
At 1 Jul 2015 and 30 Jun 2016	<u>2,845,916</u>	<u>500</u>	<u>2,846,416</u>
Impairment			
At 1 July 2015	1,366,246	-	1,366,246
Reversal of impairment losses	(26,863)	-	(26,863)
At 30 June 2016	<u>1,339,383</u>	<u>-</u>	<u>1,339,383</u>
Carrying amount			
At 30 June 2016	<u>1,506,533</u>	<u>500</u>	<u>1,507,033</u>
At 30 June 2015	<u>1,479,670</u>	<u>500</u>	<u>1,480,170</u>

The company owns 100% of the ordinary issued share capital of Hanson Logistics Limited, a company registered in England and Wales. The principal activity of Hanson Logistics Limited continues to be the provision of warehousing, distribution, forwarding and agency services, site services management, forklift training, repacking, blending and sampling.

The company also owns 50% of the ordinary share capital of Hanson PH Limited, a company registered in England and Wales. The principal activity of Hanson PH Limited is sale of plastic boxes which are used for storage purposes. Since Hanson PH Limited has a year end of 31 December, the share of net assets of joint ventures has been taken from the management accounts at 30 June 2016.

14. STOCKS

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
PPE stock	3,294	-	-	-
Road fuel	5,271	6,320	-	-
Warehouse materials	48,553	30,979	-	-
	<u>57,118</u>	<u>37,299</u>	<u>-</u>	<u>-</u>

HANSON FAMILY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30 JUNE 2016

15. DEBTORS

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	566,491	631,193	500	3,000
Amounts owed by group undertakings	–	–	10,582	10,717
Amounts owed by undertakings in which the company has a participating interest	40,000	40,000	40,000	40,000
Prepayments and accrued income	205,362	253,491	797	–
Other debtors	25,898	32,044	–	558
	<u>837,751</u>	<u>956,728</u>	<u>51,879</u>	<u>54,275</u>

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	2016	2015
	£	£
Cash at bank and in hand	456	335
Bank overdrafts	(338,046)	(138,003)
	<u>(337,590)</u>	<u>(137,668)</u>

17. CREDITORS: amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Debenture loans	–	365,102	–	–
Bank loans and overdrafts	404,546	216,846	–	–
Trade creditors	261,213	279,789	–	–
Accruals and deferred income	86,894	64,763	2,030	2,025
Social security and other taxes	157,432	140,059	–	632
Obligations under hire purchase contracts	17,010	87,930	–	–
Director's current account	323,013	316,271	213,660	204,157
Other creditors	320,264	311,501	176,343	188,492
	<u>1,570,372</u>	<u>1,782,261</u>	<u>392,033</u>	<u>395,306</u>

The balance outstanding on the invoice discounting advance is secured against book debts.

The bank borrowings are secured on the leasehold land and buildings.

Balances outstanding on hire purchase agreements are secured on the assets to which the agreements relate.

Included within other creditors is £26,454 (2015: £27,911) relating to outstanding contributions payable to the pension scheme.

18. CREDITORS: amounts falling due after more than one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans	554,167	259,291	–	–
Obligations under hire purchase contracts	68,040	172,065	–	–
	<u>622,207</u>	<u>431,356</u>	<u>–</u>	<u>–</u>

HANSON FAMILY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 JUNE 2016

18. CREDITORS: amounts falling due after more than one year *(continued)*

Included within creditors: amounts falling due after more than one year is an amount of £288,168 (2015: £56,342) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

19. HIRE PURCHASE AGREEMENTS

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

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Not later than 1 year	18,607	95,327	—	—
Later than 1 year and not later than 5 years	74,427	186,666	—	—
	<u>93,034</u>	<u>281,993</u>	<u>—</u>	<u>—</u>
Less: future finance charges	(7,984)	(21,998)	—	—
Present value of minimum lease payments	<u>85,050</u>	<u>259,995</u>	<u>—</u>	<u>—</u>

20. PROVISIONS

Group	Site provisions
	£
At 1 July 2015	60,543
Charge against provision	(14,410)
At 30 June 2016	<u>46,133</u>

The company does not have any provisions.

The site provisions are in place to ensure that repairs and maintenance and health and safety expenditure are recorded evenly over the period that they occur.

21. EMPLOYEE BENEFITS

Defined benefit plans

The group operates a defined benefit pension scheme in the United Kingdom whose assets are independent of the group's finances. The scheme is based upon employees' final pay and is funded by contributions from the employees and the employing company over the period of the employees' service. A full actuarial valuation at 30 June 2015 is currently in progress, and the preliminary result have been updated to 30 June 2015 by a qualified actuary, independent of the scheme's sponsoring employer.

The most recent completed actuarial valuation of the scheme was at 30 June 2012, and showed a deficit of £2,050,000. The employer has agreed with the trustees that it will aim to eliminate the deficit over a period of 20 years from 1 October 2013 by the payment of deficit contributions of £3,000 per month, increasing at 5% per annum. In addition, the employer has agreed with the trustees that it will pay 27.9% of pensionable earnings in respect of the cost of accruing benefits and will meet expenses of of of the scheme and levies to the Pension Protection Fund. In addition, the employer will also pay contributions dependent on the profit levels of the group. Member contributions are payable in addition at the rate of 3.0% of pensionable pay.

The scheme has been closed to new members from 1 July 1996. As a consequence the current service cost under the projected unit method can be expected to increase over time, as the average age of the membership increases.

The statement of financial position net defined benefit liability is determined as follows:

	2016	2015
	£	£
Present value of defined benefit obligations	(3,147,000)	(3,353,000)
Fair value of plan assets	<u>2,518,000</u>	<u>2,715,000</u>
	<u>(629,000)</u>	<u>(638,000)</u>

HANSON FAMILY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30 JUNE 2016

21. EMPLOYEE BENEFITS (continued)

Changes in the present value of the defined benefit obligations are as follows:

	2016 £
At 1 July 2015	3,353,000
Current service cost	3,000
Interest expense	124,000
Benefits paid	(177,000)
Remeasurements:	
Actuarial gains and losses	(156,000)
At 30 June 2016	<u>3,147,000</u>

Changes in the fair value of plan assets are as follows:

	2016 £
At 1 July 2015	2,715,000
Interest income	102,000
Benefits paid	(177,000)
Contributions by employer	84,000
Remeasurements:	
Return on plan assets, excluding amount included in interest income	(206,000)
At 30 June 2016	<u>2,518,000</u>

The total costs for the year in relation to defined benefit plans are as follows:

	2016 £	2015 £
Recognised in profit or loss:		
Current service cost	3,000	3,000
Net interest expense	22,000	27,000
	<u>25,000</u>	<u>30,000</u>
Recognised in other comprehensive income:		
Remeasurement of the liability:		
Actuarial gains and losses	156,000	(101,000)
Return on plan assets, excluding amounts included in net interest	(206,000)	46,000
	<u>(50,000)</u>	<u>(55,000)</u>

The fair value of the major categories of plan assets are as follows:

	2016 £	2015 £
Equity instruments	1,253,000	2,190,000
Debt instruments	345,000	431,000
Property	26,000	47,000
Cash	894,000	47,000
	<u>2,518,000</u>	<u>2,715,000</u>

The long term expected rate of return on cash is based on the expectation that the money would shortly be invested in equities. The long term expected return on bonds is determined by reference to UK long dated government and corporate bond yields at the balance sheet date. The long term expected rate of return on equities is based on the rate of return on bonds with an allowance for out-performance.

None of the fair values of the assets shown above include any of the group's own financial instruments or any property occupied by, or other assets used by the group.

The return on plan assets are as follows:

	2016 £	2015 £
Return on assets of benefit plan	<u>104,000</u>	<u>178,000</u>

HANSON FAMILY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30 JUNE 2016

21. EMPLOYEE BENEFITS (continued)

The principal actuarial assumptions as at the statement of financial position date were:

	2016	2015
	%	%
Discount rate	3.65	3.80
Expected rate of salary increase	2.80	2.60
Expected rate of increase in pensions	2.70	3.00
Inflation assumption	2.80	3.10
Life expectancy at age 65 (years) - male retiring in 2016	21.20	24.30
Life expectancy at age 65 (years) - female retiring in 2016	23.10	23.50
Life expectancy at age 65 (years) - male retiring in 2036	22.40	22.50
Life expectancy at age 65 (years) - female retiring in 2036	<u>24.60</u>	<u>25.00</u>

22. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,650,000</u>

23. RESERVES

Revaluation reserve - this reserve records movements on the valuation of the long leasehold property.

Other reserves - this represents a reserve arising on consolidation.

Profit and loss account - this reserve records retained earnings and accumulated losses net of dividends and other adjustments.

24. CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit/(loss) for the financial year	74,999	(25,926)
<i>Adjustments for:</i>		
Depreciation of tangible assets	164,886	163,357
Share of (loss)/profit of joint ventures	2,170	(1,882)
Interest receivable and similar income	(2,403)	(2,403)
Interest payable and similar charges	57,945	58,180
Gains on disposal of tangible assets	(2,658)	(12,117)
Defined benefit pension plan employer contributions	(84,000)	(74,000)
Accrued expenses/(income)	22,131	(103,282)
Provision for service cost of defined benefit pension scheme	3,000	3,000
<i>Changes in:</i>		
Stocks	(19,819)	10,205
Trade and other debtors	118,977	102,226
Trade and other creditors	14,302	3,362
Provisions and employee benefits	(14,410)	60,543
	<u>335,120</u>	<u>181,263</u>

HANSON FAMILY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30 JUNE 2016

25. OPERATING LEASES

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

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Not later than 1 year	73,793	59,867	–	11,165
Later than 1 year and not later than 5 years	153,580	26,867	–	–
Later than 5 years	44,202	–	–	–
	<u>271,575</u>	<u>86,734</u>	<u>–</u>	<u>11,165</u>

26. TRANSITION TO FRS 102

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

Reconciliation of equity

Group	1 July 2014			30 June 2015		
	As previously stated	Effect of transition	FRS 102 (as restated)	As previously stated	Effect of transition	FRS 102 (as restated)
	£	£	£	£	£	£
Fixed assets	2,858,979	–	2,858,979	3,057,363	–	3,057,363
Current assets	1,128,709	–	1,128,709	994,362	–	994,362
Creditors: amounts falling due within one year	(1,772,321)	–	(1,772,321)	(1,600,906)	(181,355)	(1,782,261)
Net current liabilities	<u>(643,612)</u>	<u>–</u>	<u>(643,612)</u>	<u>(606,544)</u>	<u>(181,355)</u>	<u>(787,899)</u>
Total assets less current liabilities	2,215,367	–	2,215,367	2,450,819	(181,355)	2,269,464
Creditors: amounts falling due after more than one year	(720,640)	–	(720,640)	(612,711)	181,355	(431,356)
Provisions	–	–	–	(60,543)	–	(60,543)
Defined benefit pension plan liability	<u>(627,000)</u>	<u>–</u>	<u>(627,000)</u>	<u>(638,000)</u>	<u>–</u>	<u>(638,000)</u>
Net assets including defined benefit pension plan liability	<u>867,727</u>	<u>–</u>	<u>867,727</u>	<u>1,139,565</u>	<u>–</u>	<u>1,139,565</u>
Capital and reserves	<u>867,727</u>	<u>–</u>	<u>867,727</u>	<u>1,139,565</u>	<u>–</u>	<u>1,139,565</u>

Reconciliation of equity

No transitional adjustments were required for the company.

HANSON FAMILY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 JUNE 2016

26. TRANSITION TO FRS 102 *(continued)*

Reconciliation of profit or loss for the year

	Year ended 30 June 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Turnover	4,101,270	–	4,101,270
Cost of sales	(2,868,260)	–	(2,868,260)
Gross profit	1,233,010	–	1,233,010
Administrative expenses	(1,355,041)	–	(1,355,041)
Other operating income	150,000	–	150,000
Operating profit	27,969	–	27,969
Share of (loss)/profit of joint ventures	1,882	–	1,882
Interest receivable and similar income	2,403	–	2,403
Interest payable and similar charges	22,820	(81,000)	(58,180)
Profit/(loss) for the financial year	55,074	(81,000)	(25,926)

Defined benefit pension scheme

Under previous UK GAAP the group recognised an expected return on defined benefit plan assets in the profit and loss account. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in the profit and loss account. There has been no change in the defined benefit liability at either 1 July 2014 or 30 June 2015. The effect of the change has been to reduce the credit to the profit and loss account in the year to 30 June 2015 by £81,000 and increase the credit in other comprehensive income by an equivalent amount.

Related party loans

Related party loans have been reclassified from due more than one year to due under one year as there is no set repayment date as required under FRS 102. This has increased the group's net current liabilities by £181,355 subsequently decreasing total assets less current liabilities.