

Company Registration No. 02021691 (England and Wales)

**ROWE HANKINS LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 JULY 2015**

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COMPANIES HOUSE

# ROWE HANKINS LIMITED

## COMPANY INFORMATION

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### Directors

T W Hankins  
M W Hankins  
L C Crawford  
G Mellor (Appointed 1 August 2014)  
D Duckworth (Appointed 1 August 2015)

### Secretary

G Mellor

### Company number

02021691

### Registered office

Power House  
Parker Street  
Bury  
Lancashire  
BL9 0RJ

### Auditors

Royce Peeling Green Limited  
The Copper Room  
Deva Centre, Trinity Way  
Manchester  
M3 7BG

### Bankers

National Westminster Bank plc  
463 Bury New Road  
Prestwich  
Manchester  
M25 1AB

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# ROWE HANKINS LIMITED

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# ROWE HANKINS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 JULY 2015

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The directors present the strategic report and financial statements for the year ended 31 July 2015.

#### Review of the business

The first lines of Charles Dickens' book "A Tale Of Two Cities" sums up our year. It was the worst of times, it was the best of times.

The recession hits the new rolling stock market around a year to two years after it has finished in retail markets. Large capital projects which have long gestation periods have a momentum about them that insulates companies like ours from the worst effects of recession, especially in the early years. Consequently we had our best year (ending July 2013) during the recession and now we have had our worst ever in our 30 year history.

Even our bad news is not that bad as we still made a trading profit but the cost of restructuring and investments in products of the future and methods of manufacture put us in the red. The strategy to refocus on innovative products is beginning to really excite us for next year and many years to come. The restructuring has seen us outsource various functions which will reflect next year in lower overheads and adding to our competitive edge.

On both sides of the business we have won innovation awards from the recognised industry bodies. Cudis division has the new LUMO metal board and Rail division has the new intelligent wheel flange and top of rail lubrication system. These two products alone are beginning to show significant figures in our forward order book.

Other new products are in the pipeline for completion in 2016. The business plan for next year shows a return to modest profits next year even though we will be investing heavily in new people skills and innovation.

The company is poised to grow and grow significantly which is why we can now confidently look forward to the best of times again.

On behalf of the board



Toni Hankins

Chairman

26 FEBRUARY 2016

# ROWE HANKINS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 JULY 2015

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The directors present their report and financial statements for the year ended 31 July 2015.

#### Principal activities

The principal activity of the company continued to be that of design, manufacture, distribution, service and maintenance of railway electrical and electronic systems.

#### Results and dividends

The results for the year are set out on page 6.

#### Directors

The following directors have held office since 1 August 2014:

T W Hankins	
S R Stone	(Retired 30 January 2015)
M W Hankins	
L C Crawford	
G Mellor	(Appointed 1 August 2014)
D Duckworth	(Appointed 1 August 2015)

#### Auditors

In accordance with section 485 of the Companies Act 2006, a resolution proposing that Royce Peeling Green Limited be re-appointed will be put at the Annual General Meeting.

#### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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.

# ROWE HANKINS LIMITED

## DIRECTORS' REPORT (CONTINUED)

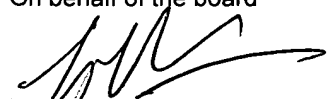
FOR THE YEAR ENDED 31 JULY 2015

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### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



G Mellor  
Director

26 FEBRUARY 2016

# **ROWE HANKINS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF ROWE HANKINS LIMITED**

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We have audited the financial statements of Rowe Hankins Limited for the year ended 31 July 2015 set out on pages 6 to 17. 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).

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

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2015 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# ROWE HANKINS LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF ROWE HANKINS LIMITED

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### 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, 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.

*Royce Peeling Green Limited*

Mr Martin Chatten (Senior Statutory Auditor)  
for and on behalf of Royce Peeling Green Limited

*26 February 2016*

Chartered Accountants  
Statutory Auditor

The Copper Room  
Deva Centre, Trinity Way

Manchester  
M3 7BG



# **ROWE HANKINS LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 JULY 2015**

	Notes	2015 £	2014 £
<b>Turnover</b>	<b>2</b>	5,331,981	5,794,200
Cost of sales		(2,767,574)	(3,131,670)
<b>Gross profit</b>		2,564,407	2,662,530
Administrative expenses		(2,417,972)	(2,293,722)
Other operating income		262	3,712
<b>Operating profit</b>	<b>3</b>	146,697	372,520
Cost of fundamental reorganisation		(186,221)	-
<b>(Loss)/profit on ordinary activities before interest</b>		(39,524)	372,520
Interest receivable and similar income		269	-
Interest payable and similar charges	<b>4</b>	(12,132)	(5,734)
<b>(Loss)/profit on ordinary activities before taxation</b>		(51,387)	366,786
Tax on (loss)/profit on ordinary activities	<b>5</b>	62,947	(40,387)
<b>Profit for the year</b>	<b>13</b>	11,560	326,399

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# ROWE HANKINS LIMITED

## BALANCE SHEET

AS AT 31 JULY 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	6		333,370		410,940
<b>Current assets</b>					
Stocks	7	1,068,030		955,348	
Debtors	8	2,211,341		2,008,730	
Cash at bank and in hand		45,117		152,297	
		<u>3,324,488</u>		<u>3,116,375</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,381,471)</u>		<u>(1,262,529)</u>	
<b>Net current assets</b>			1,943,017		1,853,846
<b>Total assets less current liabilities</b>			<u>2,276,387</u>		<u>2,264,786</u>
<b>Creditors: amounts falling due after more than one year</b>	10		(200,820)		(185,669)
<b>Provisions for liabilities</b>	11		(26,668)		(41,778)
<b>Net assets</b>			<u>2,048,899</u>		<u>2,037,339</u>
<b>Capital and reserves</b>					
Called up share capital	12		4,500		4,500
Share premium account	13		1,900		1,900
Other reserves	13		400		400
Profit and loss account	13		2,042,099		2,030,539
<b>Shareholders' funds</b>	14		<u>2,048,899</u>		<u>2,037,339</u>

Approved by the Board and authorised for issue on

26 February 2016



M W Hankins  
Director

Company Registration No. 02021691

# ROWE HANKINS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2015

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Building alterations	10% straight line
Plant and machinery	15% / 20% straight line
Fixtures, fittings & equipment	10% / 33% straight line
Motor vehicles	20% straight line

#### 1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

#### 1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

# ROWE HANKINS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2015

### 1 Accounting policies

(Continued)

#### 1.9 Deferred taxation

In accordance with Financial Reporting Standard 19 'Accounting for deferred tax', deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse.

Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

#### 1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 1.11 Auditor liability limitation agreement

The company has entered into a liability limitation agreement with Royce Peeling Green Limited, the statutory auditor, in respect of the statutory audit for the year ended 31 July 2015. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 3 Operating profit

	2015	2014
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	98,577	98,460
Loss on disposal of tangible assets	2,429	-
Loss on foreign exchange transactions	33,592	52,426
Research and development	20,867	33,633
Operating lease rentals	75,000	75,000
Auditors' remuneration (including expenses and benefits in kind)	11,000	11,000
and after crediting:		
Profit on disposal of tangible assets	-	(190)

# **ROWE HANKINS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 JULY 2015**

<b>4</b>	<b>Interest payable</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Hire purchase interest	3,797	5,734
	Other interest	8,335	-
		<u>12,132</u>	<u>5,734</u>
<b>5</b>	<b>Taxation</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	(4,396)	43,441
	Adjustment for prior years	(43,441)	(6,762)
	<b>Total current tax</b>	<u>(47,837)</u>	<u>36,679</u>
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	(15,110)	3,708
		<u>(62,947)</u>	<u>40,387</u>
	<b>Factors affecting the tax charge for the year</b>		
	(Loss)/profit on ordinary activities before taxation	<u>(51,387)</u>	<u>366,786</u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2014 - 21.00%)	<u>(10,277)</u>	<u>77,025</u>
	Effects of:		
	Non deductible expenses	14,191	6,231
	Depreciation add back	19,715	20,677
	Capital allowances	(6,046)	(22,021)
	Loss/(Profit) on sale of fixed assets	486	(40)
	Change in rate of taxation	-	2,778
	Marginal relief	-	(3,155)
	Adjustments in respect of earlier years	-	(6,762)
	Research and development enhanced deduction	(65,906)	(38,054)
		<u>(37,560)</u>	<u>(40,346)</u>
	<b>Current tax charge for the year</b>	<u>(47,837)</u>	<u>36,679</u>

# **ROWE HANKINS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2015**

### **6 Tangible fixed assets**

	Building alterations	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 August 2014	178,865	221,142	250,683	93,495	744,185
Additions	774	1,711	12,152	16,500	31,137
Disposals	-	-	-	(20,875)	(20,875)
At 31 July 2015	179,639	222,853	262,835	89,120	754,447
<b>Depreciation</b>					
At 1 August 2014	31,771	103,277	173,093	25,104	333,245
On disposals	-	-	-	(10,745)	(10,745)
Charge for the year	17,835	35,884	27,517	17,341	98,577
At 31 July 2015	49,606	139,161	200,610	31,700	421,077
<b>Net book value</b>					
At 31 July 2015	130,033	83,692	62,225	57,420	333,370
At 31 July 2014	147,094	117,865	77,590	68,391	410,940

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	Motor vehicles	Total
	£	£	£
<b>Net book values</b>			
At 31 July 2015	20,169	57,420	77,589
At 31 July 2014	30,414	64,546	94,960
<b>Depreciation charge for the year</b>			
At 31 July 2015	10,245	17,033	27,278
At 31 July 2014	10,248	14,560	24,808

# **ROWE HANKINS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2015**

<b>7</b>	<b>Stocks and work in progress</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Work in progress	7,562	9,943
	Finished goods and goods for resale	1,060,468	945,405
		<u>1,068,030</u>	<u>955,348</u>
<b>8</b>	<b>Debtors</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Trade debtors	904,160	709,290
	Amount owed by parent undertaking	1,156,451	1,156,451
	Corporation tax	47,837	16,749
	Other debtors	10,000	21,635
	Prepayments and accrued income	92,893	104,605
		<u>2,211,341</u>	<u>2,008,730</u>
<b>9</b>	<b>Creditors: amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Invoice discounting indebtedness	334,518	353,547
	Net obligations under hire purchase contracts	26,801	37,794
	Trade creditors	452,784	363,544
	Corporation tax	24,980	43,441
	Other taxes and social security costs	71,025	40,312
	Directors' loan accounts	204,131	149,451
	Other creditors	98,491	47,768
	Accruals and deferred income	168,741	226,672
		<u>1,381,471</u>	<u>1,262,529</u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

Included within other creditors is a balance of £90,012 (2014: £40,000) due to the Rowe Hankins (1988) Retirement Benefits Scheme. This is secured on a first fixed and floating charge over all stock in trade of the company, dated 25 June 2014 and 27 November 2014.

The invoice discounting facility is secured on a fixed and floating charge dated 26 March 2014, on all the property or undertaking of the company.

# **ROWE HANKINS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 JULY 2015**

<b>10 Creditors: amounts falling due after more than one year</b>	<b>2015 £</b>	<b>2014 £</b>
Other loans	190,814	160,000
Net obligations under hire purchase contracts	10,006	25,669
	<u>200,820</u>	<u>185,669</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	615,344	553,547
	<u>615,344</u>	<u>553,547</u>
Included in current liabilities	(424,530)	(393,547)
	<u>190,814</u>	<u>160,000</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	90,012	40,000
In more than two years but not more than five years	100,802	120,000
	<u>190,814</u>	<u>160,000</u>
Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.		
Included within other creditors is a balance of £190,814 (2014: £160,000) due to the Rowe Hankins (1988) Retirement Benefits Scheme. This is secured on a first fixed and floating charge over all stock in trade of the company, dated 25 June 2014 and 27 November 2014.		
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	29,942	41,469
Repayable between one and five years	11,028	28,192
	<u>40,970</u>	<u>69,661</u>
Finance charges and interest allocated to future accounting periods	(4,163)	(6,198)
	<u>36,807</u>	<u>63,463</u>
Included in liabilities falling due within one year	(26,801)	(37,794)
	<u>10,006</u>	<u>25,669</u>



# ROWE HANKINS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2015

### 11 Provisions for liabilities

	Deferred tax liability £
Balance at 1 August 2014	41,778
Profit and loss account	(15,110)
Balance at 31 July 2015	<u>26,668</u>

The deferred tax liability is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	32,668	44,054
Other timing differences	(6,000)	(2,276)
	<u>26,668</u>	<u>41,778</u>

### 12 Share capital

	2015 £	2014 £
Allotted, called up and fully paid 4,500 Ordinary shares of £1 each	<u>4,500</u>	<u>4,500</u>

### 13 Statement of movements on reserves

	Share premium account £	Other reserves (see below) £	Profit and loss account £
Balance at 1 August 2014	1,900	400	2,030,539
Profit for the year	-	-	11,560
Balance at 31 July 2015	<u>1,900</u>	<u>400</u>	<u>2,042,099</u>

#### Other reserves

Reserves provided for by the Articles of Association

Balance at 1 August 2014 & at 31 July 2015 400

# ROWE HANKINS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2015

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14	Reconciliation of movements in Shareholders' funds	2015 £	2014 £
	Profit for the financial year	11,560	326,399
	Opening Shareholders' funds	2,037,339	1,710,940
		<hr/>	<hr/>
	Closing Shareholders' funds	2,048,899	2,037,339
		<hr/>	<hr/>

### 15 Financial commitments

At 31 July 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 July 2016:

	Land and buildings	
	2015 £	2014 £
Operating leases which expire:		
In over five years	75,000	75,000
	<hr/>	<hr/>

16	Directors' remuneration	2015 £	2014 £
	Remuneration for qualifying services	173,206	160,317
	Company pension contributions to defined contribution schemes	16,262	29,672
		<hr/>	<hr/>
		189,468	189,989
		<hr/>	<hr/>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2014 - 3).

# ROWE HANKINS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2015

### 17 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Sales	14	14
Administration	13	15
Management	4	4
Engineering	10	9
Production	23	27
	<u>64</u>	<u>69</u>

#### Employment costs

	2015 £	2014 £
Wages and salaries	1,405,015	1,514,237
Social security costs	129,060	146,743
Other pension costs	58,397	71,778
	<u>1,592,472</u>	<u>1,732,758</u>

### 18 Retirement Benefits

	2015 £	2014 £
Contributions payable by the company for the year in respect of defined contribution pension arrangements	<u>58,397</u>	<u>71,778</u>

### 19 Control

During the year the entire issued ordinary share capital was acquired by a newly incorporated company, Rowe Hankins (Holdings) Limited. Ultimate control of that company lies with TW Hankins, a director, who has the majority shareholding in that company's issued ordinary share capital.

### 20 Related party relationships and transactions

# ROWE HANKINS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 JULY 2015**

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### **20 Related party relationships and transactions**

**(Continued)**

The company operates from premises leased from the Rowe Hankins (1988) Retirement Benefits Scheme and during the year paid a fair market rent of £75,000 (2014: £75,000). At 31 July 2015 there was a balance of £280,826 (2014: £200,000) due to the Rowe Hankins (1988) Retirement Benefits Scheme. This relates to a loan with interest being charged at 2.5% per annum.

At 31 July 2015 there was a balance of £1,156,451 (2014: £1,156,451) owed from Rowe Hankins (Holdings) Limited, the parent company.

During the year the company paid a salary of £19,171 (2014: £36,125) to the wife of MW Hankins, director, for administration services performed.