

**MAJOR'S PLACE INDUSTRIES LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2014**

**Company Registration Number SC75748**



**Mazars LLP**  
Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD

**MAJOR'S PLACE INDUSTRIES LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 JANUARY 2014**

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**MAJOR'S PLACE INDUSTRIES LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**YEAR ENDED 31 JANUARY 2014**

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|                               |  |
|-------------------------------|--|
| <b>The board of directors</b> | Sir A Grossart CBE QC<br>B J W Lambie  |
| <b>Company secretary</b>      | W K Ramage   |
| <b>Business address</b>       | Russell Road<br>Edinburgh<br>EH11 2LS  |
| <b>Registered office</b>      | Russell Road<br>Edinburgh<br>EH11 2LS  |
| <b>Independent auditors</b>   | Mazars LLP<br>Chartered Accountants & Statutory Auditor<br>Apex 2<br>97 Haymarket Terrace<br>Edinburgh<br>EH12 5HD |
| <b>Accountants</b>            | Mazars LLP<br>Chartered Accountants<br>Apex 2<br>97 Haymarket Terrace<br>Edinburgh<br>EH12 5HD                     |
| <b>Bankers</b>                | The Royal Bank of Scotland plc<br>1 Chesser Avenue<br>Edinburgh<br>EH14 1TB  |

# **MAJOR'S PLACE INDUSTRIES LIMITED**

## **STRATEGIC REPORT**

**YEAR ENDED 31 JANUARY 2014**

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The directors present their strategic report for Major's Place Industries Limited for the year ended 31 January 2014.

### **Review and Analysis of the Business during the current year**

The group continued its principal activities as specialist glazing contractors throughout the current financial year.

### **Development and financial performance during the year**

As reported in the profit and loss account turnover increased in the year by 9.3% from £13.495m to £14.755m. Operating profit increased from £14,753 to £114,794 and profit before taxation increased from £15,292 to £111,033.

Despite continuing challenging trading conditions in the construction sector, the group was successful in securing additional turnover albeit at reduced margins which resulted in improvement in profitability.

The gross profit margin was 17.34% compared with 19.5% for the previous year indicating that the construction sector is still seriously affected by low tender margins due to the recession.

The net profit margin increased from 0.1% to 0.8%.

### **Financial position at the reporting date**

The balance sheet shows that the group's net assets at the end of the year increased by £119,229 to £4.101m.

Debtors increased by £2.21m and creditors less than one year by £1.89m due to the higher levels of turnover in the last quarter of the financial year which reflects an improvement in turnover for the year to 31<sup>st</sup> January 2014. As a result cash at bank and in hand fell by £267,000 to £1.873m.

Creditors falling due after more than one year increased from £13,333 to £106,317 due to an increase in hire purchase creditors. This form of finance is being used to fund motor vehicles in preference to contract hire and contract lease.

The liquidity of the group improved with net current assets increasing from £2.606m to £2.681m.

The strength of the balance sheet has sustained the group during extremely difficult conditions which has seen many competitors with weaker balance sheets fail.

The group has seen a significant improvement in its order book and sales opportunities for the year to January 2015 however we have yet to see an improvement in tender margins.

# MAJOR'S PLACE INDUSTRIES LIMITED

## STRATEGIC REPORT *(continued)*

YEAR ENDED 31 JANUARY 2014

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### Principal Risks and Uncertainties facing the Business

Management continually monitor the key risks facing the group together with assessing the controls used for managing these risks. The board of directors regularly formally reviews and documents the principal risks facing the business.

The principal risks and uncertainties facing the group are as follows:

- Significant increases in the cost of materials as suppliers are no longer willing to sell their goods at recessionary prices.
- World wide events that can cause uncertainty and effect confidence in the economy and in the construction industry.

This report was approved by the board on 21<sup>st</sup> October 2014 and signed on its behalf.



B J W Lambie  
Director

# MAJOR'S PLACE INDUSTRIES LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 31 JANUARY 2014

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The directors present their report and the financial statements of the group for the year ended 31 January 2014.

### Results and dividends

The profit for the year, after taxation, amounted to £119,229. The directors have not recommended a dividend.

### Financial risk management objectives and policies

Details of the group's financial risk management objectives and policies are included in note 17 to the financial statements.

### Directors

The directors who served during the year were:

Sir A Grossart CBE QC  
B J W Lambie

### Matters covered in the Strategic Report

The directors have included the Business Review and details of the Principal Risks and Uncertainties within the Strategic Report on pages 2 and 3.

### Auditors

The auditors, Mazars LLP, who were appointed during the year, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 undertaking and the group and of the profit or loss of the group for that year.

In preparing those 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; and
  - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.
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# MAJOR'S PLACE INDUSTRIES LIMITED

## THE DIRECTORS' REPORT *(continued)*

**YEAR ENDED 31 JANUARY 2014**

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The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and undertaking's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are, individually, aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed on behalf of the directors



W K Ramage

Company Secretary

Approved by the directors on .... 21<sup>st</sup> October 2014

**MAJOR'S PLACE INDUSTRIES LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAJOR'S**  
**PLACE INDUSTRIES LIMITED**  
**YEAR ENDED 31 JANUARY 2014**

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We have audited the group and parent company financial statements of Major's Place Industries Limited for the year ended 31 January 2014 which comprise the group Profit and Loss Account, the group Balance Sheet, the group Cash Flow Statement, the parent company Balance Sheet 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).

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 to 5, 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. This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

**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 web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and company's affairs as at 31 January 2014 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 the other matter prescribed by the Companies Act 2006**

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



**MAJOR'S PLACE INDUSTRIES LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAJOR'S**  
**PLACE INDUSTRIES LIMITED** *(continued)*

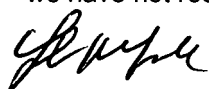
**YEAR ENDED 31 JANUARY 2014**

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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.



John McLeod (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD

Date: 31/10/14

**MAJOR'S PLACE INDUSTRIES LIMITED**  
**GROUP PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 JANUARY 2014**

|  | Note | 2014<br>£             | 2013<br>£            |
|--|------|-----------------------|----------------------|
| <b>Turnover</b>                                      | 2    | 14,755,739            | 13,495,573           |
| Cost of sales  |      | (12,196,810)          | (10,862,219)         |
| <b>Gross profit</b>                                  |      | <u>2,558,929</u>      | <u>2,633,354</u>     |
| Distribution costs                                   |      | (124,380)             | (105,154)            |
| Divisional overheads                                 |      | (1,361,198)           | (1,443,647)          |
| Administrative expenses                              |      | (958,557)             | (1,069,800)          |
| <b>Operating profit</b>                              | 3    | <u>114,794</u>        | <u>14,753</u>        |
| Interest receivable                                  |      | 4,119                 | 6,500                |
| Interest payable and similar charges                 | 6    | (7,880)               | (5,961)              |
| <b>Profit on ordinary activities before taxation</b> |      | <u>111,033</u>        | <u>15,292</u>        |
| Tax on profit on ordinary activities                 | 7    | 8,196                 | (1,718)              |
| <b>Profit for the financial year</b>                 | 22   | <u><u>119,229</u></u> | <u><u>13,574</u></u> |

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 13 to 25 form part of these financial statements.

**MAJOR'S PLACE INDUSTRIES LIMITED**  
**NOTE OF HISTORICAL COST PROFITS AND LOSSES**  
**YEAR ENDED 31 JANUARY 2014**

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|   | 2014<br>£      | 2013<br>£     |
|---|----------------|---------------|
| Reported profit on ordinary activities before taxation  | 111,033        | 15,292        |
| Difference between a historical cost depreciation charge<br>and the actual charge calculated on the revalued amount | <u>13,320</u>  | <u>13,320</u> |
| Historical cost profit on ordinary activities before taxation   | <u>124,353</u> | <u>28,612</u> |
| Historical cost profit for the year<br>after taxation   | <u>132,549</u> | <u>26,894</u> |

The notes on pages 13 to 25 form part of these financial statements.

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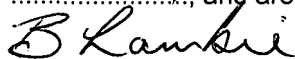
# MAJOR'S PLACE INDUSTRIES LIMITED

## GROUP BALANCE SHEET

31 JANUARY 2014

|  | Note | 2014<br>£          | 2013<br>£          |
|--|------|--------------------|--------------------|
| <b>Fixed assets</b>  |      |                    |                    |
| Tangible assets  | 9    | 1,543,590          | 1,393,381          |
| <b>Current assets</b>  |      |                    |                    |
| Stocks   | 11   | 223,049            | 204,726            |
| Debtors  | 12   | 4,840,680          | 2,629,958          |
| Cash at bank and in hand                                       |      | 1,872,711          | 2,139,605          |
|  |      | <u>6,936,440</u>   | <u>4,974,289</u>   |
| <b>Creditors: Amounts falling due within one year</b>          | 13   | <u>(4,255,011)</u> | <u>(2,367,664)</u> |
| <b>Net current assets</b>                                      |      | 2,681,429          | 2,606,625          |
| <b>Total assets less current liabilities</b>                   |      | <u>4,225,019</u>   | <u>4,000,006</u>   |
| <b>Creditors: Amounts falling due after more than one year</b> | 14   | (106,317)          | (13,133)           |
| <b>Provisions for liabilities</b>                              |      |                    |                    |
| Deferred taxation  | 16   | (17,600)           | (5,000)            |
|  |      | <u>4,101,102</u>   | <u>3,981,873</u>   |
| <b>Capital and reserves</b>                                    |      |                    |                    |
| Called-up share capital  | 21   | 85,910             | 85,910             |
| Share premium account  | 22   | 51,546             | 51,546             |
| Revaluation reserve  | 22   | 293,019            | 306,339            |
| Profit and loss account  | 22   | 3,670,627          | 3,538,078          |
| <b>Shareholders' funds</b>                                     | 23   | <u>4,101,102</u>   | <u>3,981,873</u>   |

These financial statements were approved by the directors and authorised for issue on 21<sup>st</sup> October 2014, and are signed on their behalf by:



B J W Lambie  
Director

The notes on pages 13 to 25 form part of these financial statements.

**MAJOR'S PLACE INDUSTRIES LIMITED**

Registered Number SC75748

**BALANCE SHEET****31 JANUARY 2014**

|   |      | 2014             | 2013             |
|---|------|------------------|------------------|
|   | Note | £                | £                |
| <b>Fixed assets</b>                                   |      |                  |                  |
| Investments   | 10   | 436,338          | 436,338          |
| <b>Current assets</b>                                 |      |                  |                  |
| Debtors   | 12   | 126              | 126              |
| <b>Creditors: Amounts falling due within one year</b> | 13   | <u>(146,942)</u> | <u>(147,442)</u> |
| <b>Net current liabilities</b>                        |      | (146,816)        | (147,316)        |
| <b>Total assets less current liabilities</b>          |      | <u>289,522</u>   | <u>289,022</u>   |
| <b>Capital and reserves</b>                           |      |                  |                  |
| Called-up share capital                               | 21   | 85,910           | 85,910           |
| Share premium account                                 | 22   | 51,546           | 51,546           |
| Profit and loss account                               | 22   | 152,066          | 151,566          |
| <b>Shareholders' funds</b>                            | 23   | <u>289,522</u>   | <u>289,022</u>   |

These financial statements were approved by the directors and authorised for issue on ~~21<sup>st</sup> October 2014~~, and are signed on their behalf by:



B J W Lambie  
Director

The notes on pages 13 to 25 form part of these financial statements.

**MAJOR'S PLACE INDUSTRIES LIMITED**  
**GROUP CASH FLOW CASH FLOW STATEMENT**  
**YEAR ENDED 31 JANUARY 2014**

|  |             | <b>2014</b>      | <b>2013</b>      |
|--|-------------|------------------|------------------|
|  | <b>Note</b> | <b>£</b>         | <b>£</b>         |
| <b>Net cash (outflow)/inflow from operating activities</b> | 24          | (43,149)         | 1,089,901        |
| <b>Returns on investments and servicing of finance</b>     | 24          | (3,761)          | 539              |
| <b>Taxation</b>  | 24          | (6,800)          | (8,935)          |
| <b>Capital expenditure and financial investment</b>        | 24          | (186,898)        | (56,074)         |
| <b>Cash (outflow)/inflow before financing</b>              |             | <u>(240,608)</u> | <u>1,025,431</u> |
| <b>Financing</b>   | 24          | (26,286)         | (97,290)         |
| <b>(Decrease)/increase in cash</b>                         | 24          | <u>(266,894)</u> | <u>928,141</u>   |

The notes on pages 13 to 25 form part of these financial statements.

**MAJOR'S PLACE INDUSTRIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 2014**

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**1. Accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards. The accounts have been prepared on a going concern basis.

**Basis of consolidation**

The consolidated financial statements combine the financial statements of Major's Place Industries Limited and its subsidiary.

Uniform accounting policies are followed throughout the group and the financial statements of the operating subsidiary company are prepared to the same accounting date as the parent undertaking.

The parent undertaking has not presented its own profit and loss account as permitted by Section 408 of the Companies Act 2006.

**Turnover**

Turnover represents the value of work done during the year in respect of contracting activities, including amounts not invoiced, excluding value added tax.

**Tangible fixed assets**

The group has not adopted a policy of revaluation of heritable property since the introduction of FRS 15.

Cost of fixed assets represents the purchase price together with incidental costs of acquisition.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

|                       |                      |
|-----------------------|----------------------|
| Heritable Property    | - 2.5% straight line |
| Plant & Machinery     | - 10% straight line  |
| Motor Vehicles        | - 20% straight line  |
| Furniture & Equipment | - 20% straight line  |

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

**Stocks**

Stocks are stated at the lower of cost and net realisable value.

Cost comprises purchase price on a first-in, first-out basis.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

**MAJOR'S PLACE INDUSTRIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 2014**

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**Work in progress**

Work in progress is valued on the basis of direct material and labour costs plus attributable overheads based on a normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of any work in progress.

**Hire purchase agreements**

Assets held under hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing represents a constant proportion of the capital balance outstanding and is charged to the profit & loss account over the period of the lease.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Pension costs**

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year. The assets of the scheme are held separately from those of the group in an independently administered fund.

**Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if 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.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.



**MAJOR'S PLACE INDUSTRIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 2014**

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**Long-term contracts**

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Profit for the year included settlement of claims arising on contracts in prior years.

Long term contract balances for amounts recoverable on contracts are included in trade debtors. These are stated as turnover recognised less any progress payments made on the contracts, after provision has been made for any foreseeable losses.

Full provision is made for losses on all contracts in the year in which they are first foreseen.

**2. Turnover**

Turnover (which is stated net of VAT) represents UK activity only.

**3. Operating profit**

Operating profit is stated after charging/(crediting):

|  | <b>2014</b>       | <b>2013</b>       |
|--|-------------------|-------------------|
|  | <b>£</b>          | <b>£</b>          |
| Depreciation of owned fixed assets                         | 129,872           | 150,980           |
| Depreciation of assets held under hire purchase agreements | 46,032            | 29,244            |
| Loss/(profit) on disposal of fixed assets                  | 4,629             | 1,960             |
| Operating lease costs:                                     |                   |                   |
| -plant and machinery                                       | 21,135            | 17,050            |
| -other   | 4,307             | 2,735             |
|  | <u>          </u> | <u>          </u> |

**Auditor's fees**

The fees charged by the auditor can be further analysed under the following headings for services rendered:

|   | <b>2014</b>   | <b>2013</b>   |
|---|---------------|---------------|
|   | <b>£</b>      | <b>£</b>      |
| Fees payable to the group's auditor and its Associates for the audit of the group's annual accounts | 11,250        | 13,000        |
| Fees payable to the group's auditor and its associates in respect of:                               |               |               |
| Taxation compliance services  | 1,400         | 1,600         |
| All other non-audit services not included above   | 800           | 800           |
|   | <u>13,450</u> | <u>15,400</u> |

**MAJOR'S PLACE INDUSTRIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 2014**

**4. Particulars of employees**

The average number of staff employed by the group during the financial year amounted to:

|                          | <b>2014</b> | <b>2013</b> |
|--------------------------|-------------|-------------|
|                          | <b>No</b>   | <b>No</b>   |
| Sales and administration | 17          | 17          |
| Production               | 57          | 58          |
|                          | <u>74</u>   | <u>75</u>   |

The aggregate payroll costs of the above were:

|                       | <b>2014</b>      | <b>2013</b>      |
|-----------------------|------------------|------------------|
|                       | <b>£</b>         | <b>£</b>         |
| Wages and salaries    | 2,132,705        | 2,224,234        |
| Social security costs | 141,247          | 151,333          |
| Other pension costs   | 36,660           | 35,190           |
|                       | <u>2,310,612</u> | <u>2,410,757</u> |

**5. Directors' remuneration**

No director was remunerated during the year as their services were provided by third parties at a cost to the group of £164,450 (2013: £173,270)

**6. Interest payable and similar charges**

|                 | <b>2014</b>  | <b>2013</b>  |
|-----------------|--------------|--------------|
|                 | <b>£</b>     | <b>£</b>     |
| Finance charges | <u>7,880</u> | <u>5,961</u> |

**7. Taxation on ordinary activities**

**(a) Analysis of (credit)/charge in the year**

|  | <b>2014</b>    | <b>2013</b>     |
|--|----------------|-----------------|
|  | <b>£</b>       | <b>£</b>        |
| <b>Current tax</b> (see note below)            |                |                 |
| UK Corporation tax charge                      | 6,352          | 23,613          |
| Over provision in prior year                   | (27,148)       | (7,895)         |
| <b>Total current tax</b>                       | (20,796)       | 15,718          |
| <b>Deferred tax</b> (see note 16)              |                |                 |
| Origination and reversal of timing differences | <u>12,600</u>  | <u>(14,000)</u> |
| <b>Tax on profit on ordinary activities</b>    | <u>(8,196)</u> | <u>1,718</u>    |

**MAJOR'S PLACE INDUSTRIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 2014**

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**(b) Factors affecting current tax charge**

The tax assessed for the year is lower than (2013 – higher than) the standard rate of corporation tax in the UK of 20% (2013 – 20%). The differences are explained below:

|  | <b>2014</b>     | <b>2013</b>   |
|--|-----------------|---------------|
|  | <b>£</b>        | <b>£</b>      |
| Profit on ordinary activities before taxation            | <u>111,033</u>  | <u>15,292</u> |
| Profit on ordinary activities by rate of tax             | 22,207          | 3,058         |
| <b>Effects of:</b>                                       |                 |               |
| Expenses not deductible for tax purposes                 | 3,077           | 2,854         |
| Capital allowances for year in excess of depreciation    | (18,181)        | 17,882        |
| Adjustments to tax charge in respect of previous periods | (27,148)        | (7,895)       |
| Other short term timing differences                      | (751)           | (181)         |
| <b>Total current tax (see note above)</b>                | <u>(20,796)</u> | <u>15,718</u> |

**8. Profit attributable to members of the parent undertaking**

The profit dealt with in the financial statements of the parent undertaking was £500 (2013 - £500).

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**9. Tangible fixed assets**

| <b>Group</b>             | <b>Heritable<br/>Property<br/>£</b> | <b>Plant &amp;<br/>Machinery<br/>£</b> | <b>Motor<br/>Vehicles<br/>£</b> | <b>Equipment<br/>£</b> | <b>Total<br/>£</b> |
|--------------------------|-------------------------------------|--|---------------------------------|------------------------|--------------------|
| <b>Cost or valuation</b> |                                     |  |                                 |                        |                    |
| At 1 February 2013       | 1,449,910                           | 1,438,952                              | 327,991                         | 941,733                | 4,158,586          |
| Additions                | 17,495                              | 82,683                                 | 212,609                         | 48,255                 | 361,042            |
| Disposals                | –                                   | –                                      | (127,204)                       | –                      | (127,204)          |
| At 31 January 2014       | <u>1,467,405</u>                    | <u>1,521,635</u>                       | <u>413,396</u>                  | <u>989,988</u>         | <u>4,392,424</u>   |
| <b>Depreciation</b>      |                                     |  |                                 |                        |                    |
| At 1 February 2013       | 498,323                             | 1,228,262                              | 159,693                         | 878,927                | 2,765,205          |
| Charge for the year      | 36,227                              | 50,563                                 | 64,377                          | 24,737                 | 175,904            |
| On disposals             | –                                   | –                                      | (92,275)                        | –                      | (92,275)           |
| At 31 January 2014       | <u>534,550</u>                      | <u>1,278,825</u>                       | <u>131,795</u>                  | <u>903,664</u>         | <u>2,848,834</u>   |
| <b>Net book value</b>    |                                     |  |                                 |                        |                    |
| At 31 January 2014       | <u>932,855</u>                      | <u>242,810</u>                         | <u>281,601</u>                  | <u>86,324</u>          | <u>1,543,590</u>   |
| At 31 January 2013       | <u>951,587</u>                      | <u>210,690</u>                         | <u>168,298</u>                  | <u>62,806</u>          | <u>1,393,381</u>   |

In January 1996, the heritable property was professionally valued at £989,600 on the basis of market value with existing use. Subsequent enhancement expenditure has been capitalised based on cost.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

|                                   | <b>2014<br/>£</b> | <b>2013<br/>£</b> |
|-----------------------------------|-------------------|-------------------|
| <b>Historical cost</b>            | <u>1,114,651</u>  | <u>1,114,651</u>  |
| <b>Depreciation:</b>              |                   |                   |
| At 1 February 2013                | 460,076           | 438,405           |
| Charge for year                   | 21,671            | 21,671            |
| At 31 January 2014                | <u>481,747</u>    | <u>460,076</u>    |
| <b>Net historical cost value:</b> |                   |                   |
| At 31 January 2014                | <u>632,904</u>    | <u>654,575</u>    |
| At 1 February 2013                | <u>654,575</u>    | <u>676,246</u>    |

**Hire purchase agreements**

Included within the net book value of £1,543,590 is £271,488 (2013: £97,925) relating to assets held under hire purchase agreements.

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**10. Investments**

| Company                                | Subsidiary company<br>£ |                        |                            |                             |
|--|-------------------------|------------------------|----------------------------|-----------------------------|
| <b>Cost</b>                            |                         |                        |                            |                             |
| At 1 February 2013 and 31 January 2014 | <u>436,338</u>          |                        |                            |                             |
| <b>Net book value</b>                  |                         |                        |                            |                             |
| At 31 January 2014 and 31 January 2013 | <u>436,338</u>          |                        |                            |                             |
| Name of company                        | Country of registration | Details of investments | Proportion held by company | Nature of business          |
| Charles Henshaw & Sons Limited         | Scotland                | Ordinary shares        | 100%                       | Architectural metal workers |

**11. Stocks**

|                  | <b>Group</b>   |                | <b>Company</b> |             |
|------------------|----------------|----------------|----------------|-------------|
|                  | <b>2014</b>    | <b>2013</b>    | <b>2014</b>    | <b>2013</b> |
|                  | <b>£</b>       | <b>£</b>       | <b>£</b>       | <b>£</b>    |
| Raw materials    | 180,894        | 179,520        | -              | -           |
| Work in progress | 42,155         | 25,206         | -              | -           |
|                  | <u>223,049</u> | <u>204,726</u> | <u>-</u>       | <u>-</u>    |

**12. Debtors**

|                                | <b>Group</b>     |                  | <b>Company</b> |             |
|--------------------------------|------------------|------------------|----------------|-------------|
|                                | <b>2014</b>      | <b>2013</b>      | <b>2014</b>    | <b>2013</b> |
|                                | <b>£</b>         | <b>£</b>         | <b>£</b>       | <b>£</b>    |
| Trade debtors                  | 4,640,206        | 2,577,968        | -              | -           |
| Other debtors                  | 153,777          | -                | -              | -           |
| Prepayments and accrued income | 46,697           | 51,990           | 126            | 126         |
|                                | <u>4,840,680</u> | <u>2,629,958</u> | <u>126</u>     | <u>126</u>  |

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

|  | <b>Group</b>     |                  | <b>Company</b> |                |
|--|------------------|------------------|----------------|----------------|
|  | <b>2014</b>      | <b>2013</b>      | <b>2014</b>    | <b>2013</b>    |
|  | <b>£</b>         | <b>£</b>         | <b>£</b>       | <b>£</b>       |
| Trade creditors                        | 3,308,288        | 1,755,962        | -              | -              |
| Amounts owed to subsidiary undertaking | -                | -                | 146,942        | 147,442        |
| Hire purchase agreements (note 15)     | 70,276           | 45,901           | -              | -              |
| Corporation tax                        | -                | 23,603           | -              | -              |
| Other taxation and social security     | 105,395          | 453,868          | -              | -              |
| Accruals and deferred income           | 771,052          | 88,330           | -              | -              |
|  | <u>4,255,011</u> | <u>2,367,664</u> | <u>146,942</u> | <u>147,442</u> |

**14. Creditors: Amounts falling due after more than one year**

|                                    | <b>Group</b>   |               | <b>Company</b> |             |
|------------------------------------|----------------|---------------|----------------|-------------|
|                                    | <b>2014</b>    | <b>2013</b>   | <b>2014</b>    | <b>2013</b> |
|                                    | <b>£</b>       | <b>£</b>      | <b>£</b>       | <b>£</b>    |
| Hire purchase agreements (note 15) | <u>106,317</u> | <u>13,133</u> | <u>-</u>       | <u>-</u>    |

**15. Commitments under hire purchase agreements**

Obligations under hire purchase agreements in note 14 are payable as follows:

|                                       | <b>Group</b>   |               | <b>Company</b> |             |
|---------------------------------------|----------------|---------------|----------------|-------------|
|                                       | <b>2014</b>    | <b>2013</b>   | <b>2014</b>    | <b>2013</b> |
|                                       | <b>£</b>       | <b>£</b>      | <b>£</b>       | <b>£</b>    |
| Amounts payable between 1 and 5 years | <u>106,317</u> | <u>13,133</u> | <u>-</u>       | <u>-</u>    |
|                                       | <u>106,317</u> | <u>13,133</u> | <u>-</u>       | <u>-</u>    |

Amounts due under hire purchase agreements are secured on the assets financed by such agreements.

**16. Deferred taxation**

The movement in the deferred taxation provision during the year was:

|                                  | <b>Group</b>  |              | <b>Company</b> |             |
|----------------------------------|---------------|--------------|----------------|-------------|
|                                  | <b>2014</b>   | <b>2013</b>  | <b>2014</b>    | <b>2013</b> |
|                                  | <b>£</b>      | <b>£</b>     | <b>£</b>       | <b>£</b>    |
| Provision brought forward        | 5,000         | 19,000       | -              | -           |
| Increase/(decrease) in provision | 12,600        | (14,000)     | -              | -           |
| Provision carried forward        | <u>17,600</u> | <u>5,000</u> | <u>-</u>       | <u>-</u>    |

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**16. Deferred taxation (continued)**

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

| Group   | 2014     |            | 2013     |            |
|---|----------|------------|----------|------------|
|   | Provided | Unprovided | Provided | Unprovided |
|   | £        | £          | £        | £          |
| Excess of taxation allowances over depreciation on fixed assets | 17,600   | -          | 5,000    | -          |

**17. Financial risk management objectives and policies**

The group makes little use of financial instruments. All of the group's surplus funds are held in short term fixed rate sterling deposit accounts. The directors believe that this gives them the flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in the finance markets as they arise. As such, the group's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit and loss of the group.

**18. Pensions**

The group operates a defined contribution pension scheme. The assets of the scheme are administered by trustees in a fund independent from the group.

The total contributions paid in the year amounted to £36,660 (2013: £35,190). At the year end there was an amount accrued of £6,132 (2013: £9,888).

The group also has a defined benefit pension scheme which was closed to the accrual of future benefits in September 1997. Actuarial valuations are carried out on a triennial basis and any deficiency in valuation which may arise from time to time is corrected by deficit funding contributions.

Defined benefit schemes are funded with the assets of the scheme held separately from those of the group in a separate trustee administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using assumptions set prudently by the trustees on the advice of their actuary.

The latest actuarial valuation as at 1 October 2013 showed assets of £5,051,000 and liabilities of £4,951,000 calculated on the Trustee's prudent funding basis, resulting in a surplus of £100,000. In November 2011, the actuary certified that no deficit recovery contributions were required.

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**19. Commitments under operating leases**

At 31 January 2014 the group had annual commitments under non-cancellable operating leases as set out below.

| <b>Group</b>                   | <b>Assets other than Land and buildings</b> |               |
|--------------------------------|---|---------------|
|                                | <b>2014</b>                                 | <b>2013</b>   |
|                                | <b>£</b>                                    | <b>£</b>      |
| Operating leases which expire: |   |               |
| Within 1 year                  | 4,019                                       | 45,901        |
| Within 2 to 5 years            | 23,909                                      | 13,133        |
|                                | <u>27,928</u>                               | <u>59,034</u> |

**20. Contingencies**

Performance bonds amounted to £154,020 (2013: £154,020.)

A bank overdraft facility is secured by a bond and floating charge over all of the group's assets and by an intercompany guarantee with Charles Henshaw & Sons Limited.

**21. Share capital**

**Authorised share capital:**

|                                   | <b>2014</b>   | <b>2013</b>   |
|-----------------------------------|---------------|---------------|
|                                   | <b>£</b>      | <b>£</b>      |
| 85,910 Ordinary shares of £1 each | <u>85,910</u> | <u>85,910</u> |

**Allotted, called up and fully paid:**

|                                   | <b>2014</b>   |               | <b>2013</b>   |               |
|-----------------------------------|---------------|---------------|---------------|---------------|
|                                   | <b>No</b>     | <b>£</b>      | <b>No</b>     | <b>£</b>      |
| 85,910 Ordinary shares of £1 each | <u>85,910</u> | <u>85,910</u> | <u>85,910</u> | <u>85,910</u> |



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**22. Reserves**

| <b>Group</b>                           | <b>Share<br/>premium<br/>account<br/>£</b> | <b>Revaluation<br/>reserve<br/>£</b> | <b>Profit and loss<br/>account<br/>£</b> |
|--|--|--------------------------------------|--|
| Balance brought forward                | 51,546                                     | 306,339                              | 3,538,078                                |
| Profit for the year                    | —  | —                                    | 119,229                                  |
| Other movements                        |  |                                      |  |
| - transfer to/from revaluation reserve | —  | (13,320)                             | 13,320                                   |
| Balance carried forward                | <u>51,546</u>                              | <u>293,019</u>                       | <u>3,670,627</u>                         |

| <b>Company</b>          | <b>Share<br/>premium<br/>account<br/>£</b> | <b>Profit and loss<br/>account<br/>£</b> |
|-------------------------|--|--|
| Balance brought forward | 51,546                                     | 151,566                                  |
| Profit for the year     | —  | 500                                      |
| Balance carried forward | <u>51,546</u>                              | <u>152,066</u>                           |

**23. Reconciliation of movements in shareholders' funds**

|  | <b>Group</b>      |                   | <b>Company</b> |                   |
|--|-------------------|-------------------|----------------|-------------------|
|  | <b>2014<br/>£</b> | <b>2013<br/>£</b> | <b>2014</b>    | <b>2013<br/>£</b> |
| Profit for the financial year                | 119,229           | 13,574            | 500            | 500               |
| Transfer from to the profit and loss account | 13,320            | 13,320            | —              | —                 |
| Transfer from revaluation reserve            | (13,320)          | (13,320)          | —              | —                 |
| Net addition to shareholders' funds          | <u>119,229</u>    | <u>13,574</u>     | <u>500</u>     | <u>500</u>        |
| Opening shareholders' funds                  | <u>3,981,873</u>  | <u>3,968,300</u>  | <u>289,022</u> | <u>288,522</u>    |
| Closing shareholders' funds                  | <u>4,101,102</u>  | <u>3,981,873</u>  | <u>289,522</u> | <u>289,022</u>    |

**MAJOR'S PLACE INDUSTRIES LIMITED**  
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**24. Notes to the cash flow statement**

**Reconciliation of operating profit to net cash (outflow)/inflow from operating activities**

|   | <b>2014</b>     | <b>2013</b>      |
|---|-----------------|------------------|
|   | <b>£</b>        | <b>£</b>         |
| Operating profit                                    | 114,794         | 14,753           |
| Depreciation  | 175,904         | 180,224          |
| Loss on disposal of fixed assets                    | 4,629           | 1,960            |
| Increase/(decrease) in stocks                       | (18,324)        | 580,111          |
| Increase in debtors                                 | (2,208,729)     | (24,686)         |
| Increase in creditors                               | 1,886,577       | 337,539          |
| Net cash (outflow)/inflow from operating activities | <u>(43,149)</u> | <u>1,089,901</u> |

**Returns on investments and servicing of finance**

|  | <b>2014</b>    | <b>2013</b> |
|--|----------------|-------------|
|  | <b>£</b>       | <b>£</b>    |
| Interest received  | 4,119          | 6,500       |
| Interest paid  | (7,880)        | (5,961)     |
| Net cash (outflow)/inflow from returns on investments and servicing of finance | <u>(3,761)</u> | <u>539</u>  |

**Taxation**

|          | <b>2014</b>    | <b>2013</b>    |
|----------|----------------|----------------|
|          | <b>£</b>       | <b>£</b>       |
| Taxation | <u>(6,800)</u> | <u>(8,935)</u> |

**Capital expenditure**

|   | <b>2014</b>      | <b>2013</b>     |
|---|------------------|-----------------|
|   | <b>£</b>         | <b>£</b>        |
| Payments to acquire tangible fixed assets | (217,198)        | (102,947)       |
| Receipts from sale of fixed assets        | 30,300           | 46,873          |
| Net cash outflow from capital expenditure | <u>(186,898)</u> | <u>(56,074)</u> |

**Financing**

|                                  | <b>2014</b>     | <b>2013</b>     |
|----------------------------------|-----------------|-----------------|
|                                  | <b>£</b>        | <b>£</b>        |
| Capital element of hire purchase | (26,286)        | (97,290)        |
| Net cash outflow from financing  | <u>(26,286)</u> | <u>(97,290)</u> |

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**24. Notes to the cash flow statement (continued)**

**Reconciliation of net cash flow to movement in net funds**

|   | 2014          |                  | 2013          |                  |
|---|---------------|------------------|---------------|------------------|
|   | £             | £                | £             | £                |
| Increase/(decrease) in cash in the year       | (266,894)     |                  | 928,141       |                  |
| Cash outflow in respect of hire purchase      | <u>26,286</u> |                  | <u>97,290</u> |                  |
| Change in net funds resulting from cash flows |               | (240,608)        |               | 1,025,431        |
| New hire purchase agreements                  |               | (143,845)        |               |                  |
| Movement in net funds in the year             |               | <u>(384,453)</u> |               | <u>1,025,431</u> |
| Net funds at 1 February 2013                  |               | 2,080,571        |               | 1,055,140        |
| Net funds at 31 January 2014                  |               | <u>1,696,118</u> |               | <u>2,080,571</u> |

**Analysis of changes in net funds**

|                          | At<br>1 February<br>2013<br>£ | Cash flows<br>£  | Other non-<br>cash<br>changes<br>£ | At<br>31 January<br>2014<br>£ |
|--------------------------|-------------------------------|------------------|------------------------------------|-------------------------------|
| Net cash:                |                               |                  |                                    |                               |
| Cash in hand and at bank | <u>2,139,605</u>              | <u>(266,894)</u> | -                                  | <u>1,872,711</u>              |
| Debt:                    |                               |                  |                                    |                               |
| Hire purchase agreements | <u>(59,034)</u>               | <u>26,286</u>    | <u>(143,845)</u>                   | <u>(176,593)</u>              |
| Net funds                | <u>2,080,571</u>              | <u>(240,608)</u> | <u>(143,845)</u>                   | <u>1,696,118</u>              |

**25. Capital commitments**

At 31 January 2014 the group had approved and authorised capital expenditure of £13,000 (2013: £nil).

**26. Related party transactions**

Advantage has been taken of the exemption granted by Financial Reporting Standard No 8 "Related Party Disclosures" not to report transactions with entities which are 100% controlled by a common parent undertaking.

**27. Ultimate controlling party**

In the opinion of the directors, there is no ultimate controlling party.