

James Cowie & Co Limited

Report and Financial Statements

Year Ended

31 August 2016

Company Number SC039171



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James Cowie & Co Limited

Company Information

Directors	Mark Carney Nicola C. McKane Anne Gilmurray
Company secretary	Nicola C. McKane
Registered number	SC039171
Registered office	Unit 1 Whistleberry Industrial Estate Hamilton ML3 0ED
Independent auditor	BDO LLP 4 Atlantic Quay 70 York Street Glasgow G2 8JX
Bankers	Bank of Scotland 56 Main Street Uddingston Glasgow G71 7LS
Solicitors	Kerr Barrie 250 West George Street Glasgow G2 4QY

James Cowie & Co Limited

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James Cowie & Co Limited

Directors' Report For the Year Ended 31 August 2016

The directors present their report and the financial statements for the year ended 31 August 2016.

Principal activity

The company's principal activity is that of providing structural engineering and blacksmith services.

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year.

Dividends of £3.20 (2015: £2.50) per share were paid during the year. A final dividends of £0.80 (2015: £1.50) per share was proposed by the directors prior to the year end.

The profit for the year, after taxation, amounted to £244,265 (2015 - £370,242).

Directors

The directors who served during the year were:

Mark Carney
Nicola C. McKane
Anne Gilmurray

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

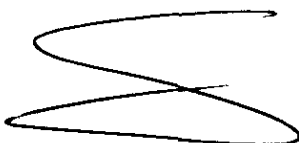
Auditor

The auditor, BDO LLP, are deemed to be re-appointed in accordance with section 487 of the Companies Act 2006.

In preparing this directors' report advantage has been taken of the small companies' exemption.

This report was approved by the board on 30/5/17 and signed on its behalf.

Mark Carney
Director



James Cowie & Co Limited

Directors' Responsibilities Statement For the Year Ended 31 August 2016

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

James Cowie & Co Limited

Independent Auditor's Report to the Members of James Cowie & Co Limited

We have audited the financial statements of James Cowie & Co Limited for the year ended 31 August 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC'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 company's affairs as at 31 August 2016 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 matters prescribed by the Companies Act 2006

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

James Cowie & Co Limited

Independent Auditor's Report to the Members of James Cowie & Co Limited

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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

Mark McCluskey (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Glasgow
United Kingdom

31 May 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

James Cowie & Co Limited

Profit and Loss Account For the Year Ended 31 August 2016

	Note	2016 £	2015 £
Turnover	3	5,170,776	4,808,414
Cost of sales		(3,835,710)	(3,380,847)
Gross profit		1,335,066	1,427,567
Distribution costs		(150,247)	(154,615)
Administrative expenses		(949,247)	(864,670)
Other operating income		57,000	57,000
Operating profit	4	292,572	465,282
Interest receivable and similar income		237	7,644
Interest payable and similar charges	7	(6,638)	(4,234)
Profit before tax		286,171	468,692
Tax on profit on ordinary activities	8	(41,906)	(98,450)
Profit for the year		244,265	370,242

There was no other comprehensive income in the year (2015 - £nil).

The notes on pages 10 to 25 form part of these financial statements.

James Cowie & Co Limited
Registered number: SC039171

Balance Sheet
As at 31 August 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	10		427,268		361,037
Investments	11		1,267,978		1,267,978
			1,695,246		1,629,015
Current assets					
Stocks	12	7,801		15,638	
Debtors: amounts falling due within one year	13	1,046,203		1,406,076	
Cash at bank and in hand		293,426		211,579	
		1,347,430		1,633,293	
Creditors: amounts falling due within one year	14	(1,433,145)		(1,562,172)	
Net current (liabilities)/assets			(85,715)		71,121
Total assets less current liabilities			1,609,531		1,700,136
Creditors: amounts falling due after more than one year	15		(123,392)		(69,662)
Provisions for liabilities					
Deferred tax	17	(62,875)		(51,475)	
Net assets			1,423,264		1,578,999
Capital and reserves					
Called up share capital	18		100,000		100,000
Capital redemption reserve	19		1,250		1,250
Share Premium	19		2,500		2,500
Profit and loss account	19		1,319,514		1,475,249
			1,423,264		1,578,999

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

James Cowie & Co Limited
Registered number: SC039171

Balance Sheet (continued)
As at 31 August 2016

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
30/5/17

Mark Carney
Director

The notes on pages 10 to 25 form part of these financial statements.

M S 30/5/17

James Cowie & Co Limited

Statement of Changes in Equity For the Year Ended 31 August 2016

	Called up share capital	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 September 2015	100,000	1,250	2,500	1,475,249	1,578,999
Comprehensive income for the year					
Profit for the year	-	-	-	244,265	244,265
Total comprehensive income for the year	-	-	-	244,265	244,265
Dividends: Equity capital	-	-	-	(400,000)	(400,000)
Total transactions with owners	-	-	-	(400,000)	(400,000)
At 31 August 2016	100,000	1,250	2,500	1,319,514	1,423,264

James Cowie & Co Limited

Statement of Changes in Equity For the Year Ended 31 August 2015

	Called up share capital	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 September 2014	100,000	1,250	2,500	1,505,007	1,608,757
Comprehensive income for the year					
Profit for the year	-	-	-	370,242	370,242
Total comprehensive income for the year	-	-	-	370,242	370,242
Dividends: Equity capital	-	-	-	(400,000)	(400,000)
Total transactions with owners	-	-	-	(400,000)	(400,000)
At 31 August 2015	100,000	1,250	2,500	1,475,249	1,578,999

The notes on pages 10 to 25 form part of these financial statements.

James Cowie & Co Limited

Notes to the Financial Statements For the Year Ended 31 August 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

James Cowie & Co Limited is a company incorporated in Scotland under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

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

Information on the impact of first-time adoption of FRS 102 is given in note 24.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of James Cowie Group Limited as at 31 August 2016 and these financial statements may be obtained from the registered office.

1.3 Consolidated financial statements

The financial statements contain information about James Cowie & Co Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in EEA group accounts of a larger group.

James Cowie & Co Limited

Notes to the Financial Statements For the Year Ended 31 August 2016

1. Accounting policies (continued)

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.4 Tangible fixed assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

James Cowie & Co Limited

Notes to the Financial Statements For the Year Ended 31 August 2016

1. Accounting policies (continued)

1.4 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold property	- 4% straight line
Plant and machinery	- 15% straight line
Motor vehicles	- 20% straight line
Land	- nil

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

1.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. *Work in progress and finished goods include labour and attributable overheads.*

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

1.7 Cash and cash equivalents

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

1.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

James Cowie & Co Limited

Notes to the Financial Statements For the Year Ended 31 August 2016

1. Accounting policies (continued)

1.9 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.10 Finance leases: the Company as lessee

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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.

1.11 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

1.12 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

James Cowie & Co Limited

Notes to the Financial Statements For the Year Ended 31 August 2016

1. Accounting policies (continued)

1.13 Current and deferred taxation

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

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

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

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

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

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Determine whether leases entered into by the company as a lessee are operating or finance leases. In making these decisions an assessments of whether the risks and rewards of ownership have been transferred from the lessor to the lessee are considered on a lease by lease basis.

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Bad debts are considered by reviewing of the debtors listing, with debts provided for on a specific basis. Factors considered include customer payment history and agreed credit terms.

Contract costs are monitored throughout the course of a contract by internal surveyors tracking all labour, material and other direct costs related to the contract. The value of turnover on the contract is estimated based on the stage of completion and agreed with each customer.

James Cowie & Co Limited

Notes to the Financial Statements For the Year Ended 31 August 2016

3. Turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Supply of metal products	5,170,776	4,808,414
	<u>5,170,776</u>	<u>4,808,414</u>

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	104,497	79,459
Loss/(profit) on disposal of tangible fixed assets	-	2,725
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	6,366	5,525
Non-audit services	2,500	2,500
Operating lease rentals - land and buildings	78,500	78,500
Operating lease rentals - plant and machinery	1,287	5,225
Defined contribution pension cost	26,454	12,900
	<u>229,594</u>	<u>187,809</u>

5. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	2,099,609	1,610,758
Social security costs	156,073	272,434
Cost of defined contribution scheme	25,992	15,100
	<u>2,281,674</u>	<u>1,898,292</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Manufacturing and installation	47	41
Management and administration	13	12
	<u>60</u>	<u>53</u>

James Cowie & Co Limited

Notes to the Financial Statements For the Year Ended 31 August 2016

6. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	284,064	285,717
Company contributions to defined contribution pension schemes	12,345	12,917
	<u>296,409</u>	<u>298,634</u>

During the year retirement benefits were accruing to 3 directors (2015 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £170,210 (2015 - £171,683).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,612 (2015 - £5,062).

7. Interest payable and similar charges

	2016 £	2015 £
Finance leases and hire purchase contracts	6,638	4,234
	<u>6,638</u>	<u>4,234</u>

James Cowie & Co Limited

Notes to the Financial Statements For the Year Ended 31 August 2016

8. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	33,615	94,946
Adjustments in respect of previous periods	(3,109)	(203)
	<u>30,506</u>	<u>94,743</u>
Total current tax	<u>30,506</u>	<u>94,743</u>
Deferred tax		
Origination and reversal of timing differences	13,847	3,707
Effect of tax rate changes on opening balances	(5,447)	-
Adjustment in respect of previous periods	3,000	-
	<u>11,400</u>	<u>3,707</u>
Total deferred tax	<u>11,400</u>	<u>3,707</u>
Taxation on profit on ordinary activities	<u>41,906</u>	<u>98,450</u>

James Cowie & Co Limited

Notes to the Financial Statements For the Year Ended 31 August 2016

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.58%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>286,171</u>	<u>468,692</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.58%)	57,234	96,457
Effects of:		
Expenses not deductible for tax purposes	1,202	1,645
Capital allowances for year in excess of depreciation	-	(3,815)
Adjustments to tax charge in respect of prior periods	(109)	(203)
Fixed asset differences	614	710
Short term timing difference leading to a (decrease) / increase in taxation	(6,985)	3,707
Other timing differences leading to an increase in taxation	-	4
Group relief	(10,050)	-
Marginal relief	-	(55)
Total tax charge for the year	<u>41,906</u>	<u>98,450</u>

9. Dividends

	2016 £	2015 £
Interim paid of £3.20 (2015 - £2.50) per share	320,000	250,000
Final proposed of £0.80 (2015 - £1.50) per share	80,000	150,000
	<u>400,000</u>	<u>400,000</u>

James Cowie & Co Limited

Notes to the Financial Statements For the Year Ended 31 August 2016

10. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 September 2015	424,669	459,616	219,641	1,103,926
Additions	-	132,753	37,975	170,728
At 31 August 2016	424,669	592,369	257,616	1,274,654
Depreciation				
At 1 September 2015	295,014	358,759	89,116	742,889
Charge for the period	16,987	43,557	43,953	104,497
At 31 August 2016	312,001	402,316	133,069	847,386
Net book value				
At 31 August 2016	112,668	190,053	124,547	427,268
At 31 August 2015	129,655	100,857	130,525	361,037

The net book value of tangible fixed assets includes an amount of £223,475 (2015 - £148,069) in respect of assets held under finance lease and hire purchase contracts.

James Cowie & Co Limited

Notes to the Financial Statements For the Year Ended 31 August 2016

11. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2015 and 31 August 2016	1,267,978

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of ordinary shares	Holding of shares	Principal activity
Hugh Logan Plant and Engineering Services Limited	Scotland	Ordinary	100 %	Metal workers and steel stockholders

The aggregate of the share capital and reserves as at 31 August 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Hugh Logan Plant and Engineering Services Limited	1,065,018	111,945
	1,065,018	111,945

12. Stocks

	2016 £	2015 £
Raw materials and consumables	7,801	15,638
	7,801	15,638

Stock recognised in cost of sales during the year as an expense was £1,699,457 (2015 - £1,558,505).

An impairment loss of £3,048 (2015 - £NIL) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

There is no material difference between the replacement cost of stocks and the amounts stated above.

James Cowie & Co Limited

Notes to the Financial Statements For the Year Ended 31 August 2016

13. Debtors

	2016 £	2015 £
Trade debtors	847,412	824,116
Amounts owed by group undertakings	-	190,173
Amounts recoverable on contracts	148,128	247,085
Directors loans	20,428	-
Prepayments and accrued income	29,560	144,702
Other debtors	675	-
	<u>1,046,203</u>	<u>1,406,076</u>

14. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	499,168	613,759
Amounts owed to group undertakings	406,940	154,507
Corporation tax	33,624	94,946
Taxation and social security	184,344	184,384
Obligations under finance lease and hire purchase contracts	47,612	57,383
Directors loans	-	102,268
Other creditors	5,339	1,254
Accruals and deferred income	256,118	353,671
	<u>1,433,145</u>	<u>1,562,172</u>

The company has a bank overdraft facility which is currently not in use. This is secured by a bond and floating charge over the assets of the company and an inter-company cross guarantee between the company and James Cowie Group Limited and Hugh Logan Plant and Engineering Services Limited.

15. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Net obligations under finance leases and hire purchase contracts (secured)	123,392	69,662
	<u>123,392</u>	<u>69,662</u>

James Cowie & Co Limited

Notes to the Financial Statements For the Year Ended 31 August 2016

16. Hire purchase & finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within one year	47,612	57,383
Between 1-2 years	42,034	22,072
Between 2-5 years	81,358	47,593
	<u>171,004</u>	<u>127,048</u>

The net obligations under finance leases and hire purchase contracts included above in note 16 and 17 above are secured over the assets to which they relate.

17. Deferred taxation

	2016 £	2015 £
At beginning of year	51,475	47,768
Charged to the profit or loss	(11,400)	(3,707)
At end of year	<u>62,875</u>	<u>51,475</u>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(51,475)	(51,475)
Fixed asset timing differences	(11,400)	-
	<u>(62,875)</u>	<u>(51,475)</u>

18. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
100,000 Ordinary Shares shares of £1 each	<u>100,000</u>	<u>100,000</u>

James Cowie & Co Limited

Notes to the Financial Statements For the Year Ended 31 August 2016

19. Reserves

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve

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

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

20. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund.

At the year end there were outstanding pension creditors of £Nil (2015: £Nil).

21. Commitments under operating leases

At 31 August 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Other assets		
Not later than 1 year	2,096	1,287
Later than 1 year and not later than 5 years	7,951	-
Later than 5 years	63	-
	<u>10,110</u>	<u>1,287</u>

James Cowie & Co Limited

Notes to the Financial Statements For the Year Ended 31 August 2016

22. Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Sales and purchases between related parties are made at normal market prices. Outstanding balances with related entities due less than one year are interest free as these are balances arising as a result of trading. The closing balances are disclosed in note 14 and 15.

At the year end an amount of £5,778 (2015 - £93,666) was to the Mark Carney, a directors in the company.

At the year end an amount of £5,118 (2015 - £7,665) was owed to Nicola McKane, a directors in the company.

At the year end an amount of £9,532 (2015 - £(937)) was owed to Anne Gilmurray, a directors in the company.

Key management includes all the directors. Total remuneration paid was £325,197 (2015 - £305,918).

23. Ultimate parent company and controlling party

The company's ultimate parent company is James Cowie Group Limited which is the parent of the largest group of which the company is a member and for which group accounts are prepared.

Copies of the consolidated financial statements of James Cowie Group Limited are available from its registered address.

The directors regard Mark Carney as the company's ultimate controlling party.

James Cowie & Co Limited

Notes to the Financial Statements For the Year Ended 31 August 2016

24. First time adoption of FRS 102

The company has transitioned to FRS 102 from former UK GAAP as at 1 September 2014. The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.