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REGISTERED NUMBER: 01050233 (England and Wales)

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements

for the Year Ended 31 March 2016

for

Atkinson Equipment Limited

Contents of the Consolidated Financial Statements for the Year Ended 31 March 2016

Atkinson Equipment Limited

Company Information
for the Year Ended 31 March 2016

DIRECTORS:	C R Atkinson J E Atkinson S T Pearce
REGISTERED OFFICE:	Moat Works Moat Road West Wilts Trading Estate Westbury Wiltshire BA13 4JF
REGISTERED NUMBER:	01050233 (England and Wales)
AUDITORS:	Monahans Statutory Auditor Chartered Accountants Fortescue House Court Street Trowbridge Wiltshire BA14 8FA

Atkinson Equipment Limited (Registered number: 01050233)

Group Strategic Report
for the Year Ended 31 March 2016

The directors present their strategic report of the company and the group for the year ended 31 March 2016.

The principal activity of the company during the year was that of precision engineers and a manufacturer of fuel measurement and dispensing equipment. The principal activity of the group in the year under review was that of precision engineers, storage, warehousing, distribution and wholesaling agents.

REVIEW OF BUSINESS
The Directors are satisfied with the performance for the year which has seen significant investment in the business as part of an internal restructure and this has been set against a difficult economic backdrop. There has been a decline in Operating Profitability but this was expected and the changes that have been made to the business will hopefully further strengthen the core of the business, which historically has been based upon underlying sound business principles.

As highlighted in the previous year's Strategic Report and also above, the Board's primary focus, as always, has been in providing top quality service and products to our customers. This determination remains a key element in our success.

We are confident that with the changes that have been adopted and with specific strategic planning from the Board cascading throughout the business, our customer and supplier relationships will continue to prosper. We are still working on a number of key strategic business initiatives to ensure that the company continues to drive forward and deliver on our long-term objectives.

With the balance sheet for 2016 showing another increase in Net Assets, this excellent asset base will continue to enable the company to push ahead with confidence to achieve its ambitious goals for 2017 and beyond.

FINANCIAL KEY PERFORMANCE INDICATORS

	2016	**2015**
Turnover (£)	22,793,673	22,233,311
Gross profit margin (%)	19.45%	18.76%
Profit before tax (£)	1,181,351	1,125,266

PRINCIPAL RISKS AND UNCERTAINTIES
The group does attempt to mitigate any commercial risks where possible and key strategic decisions are formally evaluated and ratified by the board.

On a specific level, cover is in place for the provision of General and Fleet Insurance for the operational aspects of the business. Taylor-Davis Limited also has a Trade Credit Insurance policy over its book debts and in conjunction with a strictly controlled credit function we endeavour to minimise the risk of any bad debts.

In respect of our IT infrastructure there are robust controls to safeguard our data, provide backup information in the event of disaster recovery and our hardware and software is monitored regularly.

ON BEHALF OF THE BOARD:

S.T. Pearce
....
S T Pearce - Director

Date: 2-DEC-2016

Atkinson Equipment Limited (Registered number: 01050233)

Report of the Directors
for the Year Ended 31 March 2016

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2016.

DIVIDENDS
Interim dividends per share on the Ordinary £1 shares were paid as follows:

£32.69	25 September 2015
£25.46	24 March 2016
£26.79	31 March 2016
£84.94	

The directors recommend that no final dividend be paid on these shares.

Interim dividends per share on the Ordinary A £1 shares were paid as follows:

£642.86	25 September 2015
£413.27	24 March 2016
£510.20	31 March 2016
£1,566.33	

The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 31 March 2016 will be £312,000 (2015: £212,000).

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

C R Atkinson
J E Atkinson
S T Pearce

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company and group use various financial instruments including loans, cash equity capital and various items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company and group's operations.

The existence of these financial instruments exposes the company and group to a number of financial risks which are described in more detail below.

The directors review and agree policies for managing the financial risks and these are summarised below.

The policies remain unchanged from previous years.

Market risk

Market risk encompasses three types of risk being price risk, interest rate risk and currency risk.

Price risk

The company and group operates in a competitive market. If the company and group does not continue to compete effectively by developing its product range and responding to activities in the market it could lose customers and its results, cash flow and financial conditions could adversely be affected.

Interest rate risk

Surplus cash generated by the company and group is invested in market bearing deposit accounts. Company and group bank borrowings incur interest at market rates. The company and group is therefore exposed to interest rate risk which is managed by a review of facilities available to the company and group.

Currency risk

The company and group makes purchases from a small number of suppliers whose invoices are denominated in currencies other than sterling. The most frequently used currencies other than sterling are the Euro and the US Dollar, with separate bank accounts being maintained for each with any currency fluctuation being transferred to the profit and loss account.

Credit risk

The company and group's principal assets are cash deposits and trade debtors. The credit risk associated with cash deposits is limited as the accounts are held with major UK high street banks only. The principal credit risk arises from trade debtors and the company and group manages closely its exposure to bad debts.

Liquidity risk

The company and group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The company and group policy throughout the year has been to hold cash balances in readily accessible cash deposits and utilise leasing facilities for tangible asset acquisitions.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

Report of the Directors
for the Year Ended 31 March 2016

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

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

AUDITORS
The auditors, Monahans, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

S.T. Pearce
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S T Pearce - Director

Date: 2-DEC-2016

Report of the Independent Auditors to the Members of Atkinson Equipment Limited

We have audited the financial statements of Atkinson Equipment Limited for the year ended 31 March 2016 on pages eight to thirty four. 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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on pages four and five, 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 group's and the parent 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 Group Strategic Report and the Report of the Directors 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 group's and of the parent company's affairs as at 31 March 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Martin Longmore (Senior Statutory Auditor)
for and on behalf of Monahans
Statutory Auditor
Chartered Accountants
Fortescue House
Court Street
Trowbridge
Wiltshire
BA14 8FA

Date: 8th December 2016

Consolidated Income Statement
for the Year Ended 31 March 2016

	Notes	2016 £	2016 £	2015 £	2015 £
TURNOVER	4		22,793,673		22,233,311
Cost of sales			18,359,372		18,061,125
GROSS PROFIT			4,434,301		4,172,186
Administrative expenses			3,323,226		3,087,538
			1,111,075		1,084,648
Other operating income			64,768		45,683
OPERATING PROFIT	6		1,175,843		1,130,331
Income from fixed asset investments		-		142	
Interest receivable and similar income		9,061		2,258	
			9,061		2,400
			1,184,904		1,132,731
Interest payable and similar charges	7		3,553		7,465
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			1,181,351		1,125,266
Tax on profit on ordinary activities	8		181,884		229,032
PROFIT FOR THE FINANCIAL YEAR			999,467		896,234
Profit attributable to:					
Owners of the parent			999,467		896,234

The notes form part of these financial statements

Atkinson Equipment Limited (Registered number: 01050233)

Consolidated Other Comprehensive Income for the Year Ended 31 March 2016

	Notes	2016 £	2015 £
PROFIT FOR THE YEAR		999,467	896,234
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		999,467	896,234
Total comprehensive income attributable to:			
Owners of the parent		999,467	896,234

The notes form part of these financial statements

Atkinson Equipment Limited (Registered number: 01050233)

Consolidated Balance Sheet
31 March 2016

	Notes	2016 £	2016 £	2015 £	2015 £
FIXED ASSETS					
Intangible assets	11		-		100,000
Tangible assets	12		1,843,811		1,928,573
Investments	13		-		-
Investment property	14		514,357		719,188
			2,358,168		2,747,761
CURRENT ASSETS					
Stocks	15	2,288,689		2,013,365	
Debtors	16	4,370,135		4,142,659	
Investments	17	37,533		22,501	
Cash at bank and in hand		1,816,751		1,455,833	
		8,513,108		7,634,358	
CREDITORS					
Amounts falling due within one year	18	3,428,120		3,602,402	
NET CURRENT ASSETS			5,084,988		4,031,956
TOTAL ASSETS LESS CURRENT LIABILITIES			7,443,156		6,779,717
CREDITORS					
Amounts falling due after more than one year	19		(13,104)		(40,316)
PROVISIONS FOR LIABILITIES	23		(197,990)		(194,806)
NET ASSETS			7,232,062		6,544,595
CAPITAL AND RESERVES					
Called up share capital	24		1,964		1,964
Capital redemption reserve	25		1,634		1,634
Retained earnings	25		7,228,464		6,540,997
SHAREHOLDERS' FUNDS			7,232,062		6,544,595

The financial statements were approved by the Board of Directors on 2-DEC-2016 and were signed on its behalf by:

C R Atkinson - Director

The notes form part of these financial statements

Atkinson Equipment Limited (Registered number: 01050233)

Company Balance Sheet
31 March 2016

	Notes	2016 £	2016 £	2015 £	2015 £
FIXED ASSETS					
Intangible assets	11		-		-
Tangible assets	12		754,252		857,453
Investments	13		70,050		70,050
Investment property	14		1,614,357		1,819,188
			2,438,659		2,746,691
CURRENT ASSETS					
Stocks	15	504,205		503,626	
Debtors	16	929,420		792,301	
Investments	17	37,533		22,501	
Cash at bank and in hand		174,548		17,898	
		1,645,706		1,336,326	
CREDITORS					
Amounts falling due within one year	18	815,411		1,103,970	
NET CURRENT ASSETS			830,295		232,356
TOTAL ASSETS LESS CURRENT LIABILITIES			3,268,954		2,979,047
CREDITORS					
Amounts falling due after more than one year	19		-		(6,562)
PROVISIONS FOR LIABILITIES	23		(60,184)		(72,099)
NET ASSETS			3,208,770		2,900,386
CAPITAL AND RESERVES					
Called up share capital	24		1,964		1,964
Capital redemption reserve	25		1,634		1,634
Other reserves	25		654,647		654,647
Retained earnings	25		2,550,525		2,242,141
SHAREHOLDERS' FUNDS			3,208,770		2,900,386

The financial statements were approved by the Board of Directors on 2-DEC-2016 and were signed on its behalf by:

C R Atkinson - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2016

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 April 2014	1,964	5,856,763	1,634	5,860,361
Changes in equity				
Dividends	-	(212,000)	-	(212,000)
Total comprehensive income	-	896,234	-	896,234
Balance at 31 March 2015	1,964	6,540,997	1,634	6,544,595
Changes in equity				
Dividends	-	(312,000)	-	(312,000)
Total comprehensive income	-	999,467	-	999,467
Balance at 31 March 2016	1,964	7,228,464	1,634	7,232,062

The notes form part of these financial statements

Atkinson Equipment Limited (Registered number: 01050233)

Company Statement of Changes in Equity for the Year Ended 31 March 2016

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Other reserves £	Total equity £
Balance at 1 April 2014	1,964	2,175,917	1,634	654,647	2,834,162
Changes in equity					
Dividends	-	(212,000)	-	-	(212,000)
Total comprehensive income	-	278,224	-	-	278,224
Balance at 31 March 2015	1,964	2,242,141	1,634	654,647	2,900,386
Changes in equity					
Dividends	-	(312,000)	-	-	(312,000)
Total comprehensive income	-	620,384	-	-	620,384
Balance at 31 March 2016	1,964	2,550,525	1,634	654,647	3,208,770

The notes form part of these financial statements

Atkinson Equipment Limited (Registered number: 01050233)

Consolidated Cash Flow Statement
for the Year Ended 31 March 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	951,640	1,383,747
Interest element of hire purchase payments paid		(3,553)	(7,465)
Tax paid		(185,070)	(211,652)
Net cash from operating activities		763,017	1,164,630
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(200,000)
Purchase of tangible fixed assets		(318,848)	(538,734)
Sale of tangible fixed assets		20,792	27,861
Sale of fixed asset investments		22,142	-
Sale of investment property		204,831	-
Purchase of current asset investments		(20,941)	(10,569)
Sale of current asset investments		5,449	10,830
Interest received		9,061	2,258
Dividends received		-	142
Net cash from investing activities		(77,514)	(708,212)
Cash flows from financing activities			
Capital repayments in year		(81,384)	(87,113)
Amount introduced by directors		68,799	-
Amount withdrawn by directors		-	(14,757)
Equity dividends paid		(312,000)	(212,000)
Net cash from financing activities		(324,585)	(313,870)
Increase in cash and cash equivalents		360,918	142,548
Cash and cash equivalents at beginning of year	2	1,455,833	1,313,285
Cash and cash equivalents at end of year	2	1,816,751	1,455,833

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement for the Year Ended 31 March 2016

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

	2016	2015
	£	£
Profit before taxation	1,181,351	1,125,266
Depreciation charges	480,166	471,716
Profit on disposal of fixed assets	(19,490)	(8,749)
Other investments valuation movement	459	(796)
Loss on sale of current asset investment	-	40
Finance costs	3,553	7,465
Finance income	(9,061)	(2,400)
	1,636,978	1,592,542
(Increase)/decrease in stocks	(275,324)	144,271
Increase in trade and other debtors	(201,822)	(450,918)
(Decrease)/increase in trade and other creditors	(208,192)	97,852
Cash generated from operations	951,640	1,383,747

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 March 2016

	31.3.16	1.4.15
	£	£
Cash and cash equivalents	1,816,751	1,455,833

Year ended 31 March 2015

	31.3.15	1.4.14
	£	£
Cash and cash equivalents	1,455,833	1,313,285

1. STATUTORY INFORMATION

Atkinson Equipment Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements have been prepared under the historical cost convention.

This is the first year in which the financial statements have been prepared under FRS 102.

The transition to FRS 102 has not resulted in changes to financial position and financial performance that were previously reported under UK GAAP.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Functional and presentation currency
The company's functional and presentation currency is Sterling (£).

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies.

Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over three years from the date of acquisition. The results of the companies acquired or disposed are included in the profit and loss account after or up to the date that control passes respectively.

Related party exemption
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.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

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3. **ACCOUNTING POLICIES - continued**

Significant judgements and estimates
In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Investment property- Investment property is stated at fair value based upon either an independent third party valuer or a valuation by directors who have experience in the location and category of property valued. The valuer uses an observable market prices adjusted as necessary for any difference in the future, location or condition of the specific asset.

Trade and other receivables - The allowance for doubtful accounts involves significant management judgement and review of individual receivables based on individual customer creditworthiness, current economic trends and analysis of historical bad debts on a portfolio basis.

Stock provisions - Significant estimates are involved in the determination of stock provisions. Management exercise significant judgement in determining whether costs of stock items can be recovered. A provision is made where a loss can be reliable estimated.

Investments - Investments are stated at their historic cost to the company less, where appropriate, impairment provisions for any permanent or temporary diminution in value. The determination of the recoverable amount of an investment involves the use of estimates by management.

Turnover
Turnover is measured at the fair value of the consideration received or receivable. Turnover is reduced for customer returns, rebates or other similar allowances and is net of value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services.

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:
- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction can be measured reliably.

Specifically, revenue from the sale of goods is primarily recognised upon delivery of goods to customers.

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is measured by comparing costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

Goodwill
Goodwill, being amount paid in connection with the acquisition of a business in 2015, is being amortised evenly over its estimated useful life of two years.

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3. **ACCOUNTING POLICIES - continued**

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

Long leasehold	- over period of lease
Plant and machinery	- 20% on reducing balance, 20% on straight line and 10% on reducing balance
Fixtures and fittings	- 33% on reducing balance, 15% on reducing balance, 30% on reducing balance and 10% on reducing balance
Motor vehicles	- 25% on reducing balance and 35% on reducing balance

The long leasehold building leases vary in length between 80 and 94 years.

Freehold land is not depreciated.

Land and buildings held and used in the company's own activities for production and supply of goods or for administrative purposes are stated in the statement of financial position at their revalued amounts. The revalued amounts equate to the fair value at the date of revaluation, less any depreciation or impairment losses subsequently accumulated. Revaluations are carried out regularly so that the carrying amounts do not materially differ from using the fair value at the date of the statement of financial position.

Any revaluation increase or decrease on land and buildings is credited to the property revaluation reserve.

Depreciation on revalued buildings is charged to profit or loss so as to write off their value less residual value, over their estimated useful lives, using the straight-line method.

Once a revalued property is sold or retired any attributable revaluation surplus that is remaining in the property revaluation reserve is transferred to retained earnings. No transfer is made from the revaluation reserve to retained earnings unless an asset is derecognised.

Impairment of non financial assets
At each reporting date, the company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that any items of property, plant and equipment have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the profit and loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss.

Investments
Investments in subsidiaries are accounted for at cost less impairment in the financial statements.

Investment property
Investment property is carried at fair value. Revaluation surpluses are recognised in the income statement. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

continued...

3. **ACCOUNTING POLICIES - continued**

Stocks
Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Costs, which comprise direct production costs, are based on the method most appropriate to the type of inventory class, but usually on a first-in-first-out basis. Overheads are charged to profit or loss as incurred. Net realisable value is based on the estimated selling price less any estimated completion or selling costs.

When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of stocks to net realisable value and all losses of stocks are recognised as an expense in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of stocks is recognised as a reduction in the amount of stocks recognised as an expense in the period in which the reversal occurs.

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

Taxation
Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies
Transactions in currencies other than the functional currency of the company are recorded at the rate of exchange on the date the transaction occurred. Monetary items denominated in other currencies are translated at the rate prevailing at the end of the reporting period. All differences are taken to the statement of comprehensive income. Non-monetary items that are measured at historic cost in a foreign currency are not retranslated.

Hire purchase and leasing commitments
Assets that are held by Company under leases which transfer to the company substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the company are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

continued...

3. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits
The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments
The company has chosen to adopt the requirements of sections 11 and 12 of FRS 102 in respect of the measurement and disclosure of financial instruments.

Trade and other debtors
Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings or current liabilities.

Impairment of financial assets
Financial assets, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

continued...

3. **ACCOUNTING POLICIES - continued**

Trade and other creditors
Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Related parties
For the purposes of these financial statements, a party is considered to be related to the company if:
(i) the party has the ability, directly or indirectly, through one or more intermediaries, to control the company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the company;
(ii) the company and the party are subject to common control;
(iii) the party is an associate of the company or a joint venture in which the company is a venturer;
(iv) the party is a member of key management personnel of the company or the company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
(vi) the party is a post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

Current asset investments
Current asset investments are stated at the lower of cost and net realisable value.

Provisions
Provisions are recognised when the company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

4. **TURNOVER**

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

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

	2016	2015
	£	£
Precision engineers	2,612,439	2,754,860
Distribution/wholesaling agent	20,181,234	19,478,451
	22,793,673	22,233,311

continued...

4. **TURNOVER - continued**

An analysis of turnover by geographical market is given below:

	2016	2015
	£	£
United Kingdom	22,553,569	21,944,150
Europe	240,104	272,312
Rest of the world	-	16,849
	22,793,673	22,233,311

5. **STAFF COSTS**

	2016	2015
	£	£
Wages and salaries	3,254,518	3,003,539
Social security costs	327,822	285,003
Other pension costs	69,860	50,507
	3,652,200	3,339,049

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

	2016	2015
Direct staff	61	61
Administrative staff	53	48
	114	109

6. **OPERATING PROFIT**

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

	2016	2015
	£	£
Hire of plant and machinery	393	306
Depreciation - owned assets	329,216	305,103
Depreciation - assets on hire purchase contracts	50,950	66,613
Profit on disposal of fixed assets	(19,490)	(9,433)
Goodwill amortisation	100,000	100,000
Auditors' remuneration	20,000	19,666
Foreign exchange differences	(8,640)	(15,417)

Directors' remuneration	176,835	159,293
Directors' pension contributions to money purchase schemes	3,938	3,805

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	3	3

continued...

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Hire purchase	3,553	7,465

8. TAXATION

Analysis of the tax charge

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

	2016	2015
	£	£
Current tax:		
UK corporation tax	206,324	174,820
(Over) / under provison in prior year	(27,624)	-
Total current tax	178,700	174,820
Deferred tax	3,184	54,212
Tax on profit on ordinary activities	181,884	229,032

Reconciliation of total tax charge included in profit and loss

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

	2016	2015
	£	£
Profit on ordinary activities before tax	1,181,351	1,125,266
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 21%)	236,270	236,306
Effects of:		
Expenses not deductible for tax purposes	3,589	3,581
Income not taxable for tax purposes	-	(29)
Adjustments to tax charge in respect of previous periods	(27,624)	-
Profit on sale of investment property	(4,428)	-
Depn on non qualifying assets	1,531	1,598
Corporation tax change in rate	-	(3,558)
Deferred tax change in rate	(7,524)	(8,807)
Marginal relief	-	(59)
R & D deduction	(19,930)	-
Total tax charge	181,884	229,032

9. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £620,384 (2015 - £278,224).

continued...

10. DIVIDENDS

	2016	2015
	£	£
Ordinary shares of £1 each		
Interim	312,000	212,000

11. INTANGIBLE FIXED ASSETS

Group

	Goodwill
	£
COST	
At 1 April 2015	
and 31 March 2016	347,498
AMORTISATION	
At 1 April 2015	247,498
Amortisation for year	100,000
At 31 March 2016	347,498
NET BOOK VALUE	
At 31 March 2016	-
At 31 March 2015	100,000

12. TANGIBLE FIXED ASSETS

Group

	Long leasehold	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
COST					
At 1 April 2015	639,911	1,660,885	361,103	1,134,163	3,796,062
Additions	7,660	56,574	33,124	221,490	318,848
Disposals	-	(22,900)	(47)	(117,476)	(140,423)
At 31 March 2016	647,571	1,694,559	394,180	1,238,177	3,974,487
DEPRECIATION					
At 1 April 2015	184,055	878,383	211,138	593,913	1,867,489
Charge for year	7,653	168,281	32,399	171,833	380,166
Eliminated on disposal	-	(22,900)	(32)	(94,047)	(116,979)
At 31 March 2016	191,708	1,023,764	243,505	671,699	2,130,676
NET BOOK VALUE					
At 31 March 2016	455,863	670,795	150,675	566,478	1,843,811
At 31 March 2015	455,856	782,502	149,965	540,250	1,928,573

continued...

12. **TANGIBLE FIXED ASSETS - continued**

Group

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

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 April 2015	178,500	274,860	453,360
Transfer to ownership	-	(121,712)	(121,712)
At 31 March 2016	178,500	153,148	331,648
DEPRECIATION			
At 1 April 2015	99,294	113,680	212,974
Charge for year	15,841	35,109	50,950
Transfer to ownership	-	(74,639)	(74,639)
At 31 March 2016	115,135	74,150	189,285
NET BOOK VALUE			
At 31 March 2016	63,365	78,998	142,363
At 31 March 2015	79,206	161,180	240,386

Company

	Long leasehold £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 April 2015	194,558	1,361,882	37,684	1,594,124
Additions	7,660	33,495	-	41,155
At 31 March 2016	202,218	1,395,377	37,684	1,635,279
DEPRECIATION				
At 1 April 2015	59,412	672,513	4,746	736,671
Charge for year	2,684	130,779	10,893	144,356
At 31 March 2016	62,096	803,292	15,639	881,027
NET BOOK VALUE				
At 31 March 2016	140,122	592,085	22,045	754,252
At 31 March 2015	135,146	689,369	32,938	857,453

continued...

12. **TANGIBLE FIXED ASSETS - *continued***

Company

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

	Plant and machinery £
COST	
At 1 April 2015	
and 31 March 2016	178,500
DEPRECIATION	
At 1 April 2015	99,294
Charge for year	15,841
At 31 March 2016	115,135
NET BOOK VALUE	
At 31 March 2016	63,365
At 31 March 2015	79,206

13. **FIXED ASSET INVESTMENTS**

Group

	Unlisted investments £
COST	
At 1 April 2015	
and 31 March 2016	250,000
PROVISIONS	
At 1 April 2015	
and 31 March 2016	250,000
NET BOOK VALUE	
At 31 March 2016	-
At 31 March 2015	-

continued...

13. **FIXED ASSET INVESTMENTS - continued**

Company

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 April 2015 and 31 March 2016	70,050	250,000	320,050
PROVISIONS			
At 1 April 2015 and 31 March 2016	-	250,000	250,000
NET BOOK VALUE			
At 31 March 2016	70,050	-	70,050
At 31 March 2015	70,050	-	70,050

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Taylor-Davis Limited
Nature of business: Wholesaling of rigid packaging products.

Class of shares:	% holding
Ordinary	100.00

	2016 £	2015 £
Aggregate capital and reserves	4,877,422	4,493,370
Profit for the year	892,688	622,980

Graham Tyson Limited
Nature of business: Non-trading

Class of shares:	% holding
Ordinary	100.00

continued...

14. INVESTMENT PROPERTY

Group

	Total
	£
FAIR VALUE	
At 1 April 2015	719,188
Disposals	(204,831)
At 31 March 2016	514,357
NET BOOK VALUE	
At 31 March 2016	514,357
At 31 March 2015	719,188

Company

	Total
	£
FAIR VALUE	
At 1 April 2015	1,819,188
Disposals	(204,831)
At 31 March 2016	1,614,357
NET BOOK VALUE	
At 31 March 2016	1,614,357
At 31 March 2015	1,819,188

The company freehold investment properties were valued by the directors at 31 March 2016 and are shown at their open market value of £1,614,357 (2015: £1,819,188).

If these freehold investment properties were included on a historical cost basis they would be shown at an amount of £1,153,597 (2015: £1,358,428).

15. STOCKS

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Finished goods	2,288,689	2,013,365	504,205	503,626

	2016	2015
	£	£
Stock recognised in cost of sales during the year as an expense was	15,931,085	15,789,404
An impairment reversal was recognised in cost of sales against stock during the year	(73,267)	(64,318)

continued...

16. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	3,638,799	3,831,034	377,417	532,807
Amounts owed by group undertakings	-	-	-	12,569
Other debtors	275,000	220,000	175,000	220,000
Tax	25,653	-	25,653	-
Prepayments and accrued income	430,683	91,625	351,350	26,925
	4,370,135	4,142,659	929,420	792,301

Impairments against trade and other debtors have been recorded as follows:

	2016	2015
	£	£
An impairment loss was recognised against trade debtors	14,521	8,005

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

17. **CURRENT ASSET INVESTMENTS**

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Other	37,533	22,501	37,533	22,501

18. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts (see note 20)	-	-	-	128,803
Hire purchase contracts (see note 21)	30,315	84,487	7,505	22,740
Trade creditors	2,464,872	2,676,337	183,966	210,011
Amounts owed to group undertakings	-	-	361,906	506,262
Tax	84,353	65,070	-	22,271
Social security and other taxes	565,648	568,071	91,340	98,429
Directors' current accounts	116,321	47,522	116,321	47,522
Accruals and deferred income	166,611	160,915	54,373	67,932
	3,428,120	3,602,402	815,411	1,103,970

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Included within accruals are outstanding pension contributions of £9,203 (2015: £5,588).

continued...

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

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Hire purchase contracts (see note 21)	13,104	40,316	-	6,562

20. LOANS

An analysis of the maturity of loans is given below:

	Company	
	2016	2015
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	128,803

21. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2016	2015
	£	£
Net obligations repayable:		
Within one year	30,315	84,487
Between one and five years	13,104	40,316
	43,419	124,803

Company

	Hire purchase contracts	
	2016	2015
	£	£
Net obligations repayable:		
Within one year	7,505	22,740
Between one and five years	-	6,562
	7,505	29,302

continued...

21. **LEASING AGREEMENTS - continued**

Company

	Non-cancellable operating leases	
	2016	2015
	£	£
Within one year	24,551	27,054
Between one and five years	59,822	57,551
Greater than 5 years	682,000	693,000
	766,373	777,605

Group

	Non-cancellable operating leases	
	2016	2015
	£	£
Within one year	227,536	262,822
Between one and five years	295,003	480,547
Greater than 5 years	682,000	693,000
	1,204,539	1,436,369

22. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank overdrafts	-	-	-	128,803
Hire purchase contracts	43,419	124,803	7,505	29,302
	43,419	124,803	7,505	158,105

The bank overdraft is secured by a fixed charge on the group's freehold investment properties and long leasehold buildings and by a fixed and floating charge over the assets and undertakings of the group.

Hire purchase liabilities are secured upon the assets to which they relate.

23. **PROVISIONS FOR LIABILITIES**

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Deferred tax	142,990	139,806	60,184	72,099
Other provisions	55,000	55,000	-	-
Aggregate amounts	197,990	194,806	60,184	72,099

continued...

23. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £	Other provisions £
Balance at 1 April 2015	139,806	55,000
Credit to Income Statement during year	3,184	-
Balance at 31 March 2016	142,990	55,000

Company

	Deferred tax £
Balance at 1 April 2015	72,099
Credit to Statement of Comprehensive Income during year	(11,915)
Balance at 31 March 2016	60,184

Other provisions relate to dilapidations in respect of leasehold properties.

The deferred tax provision relates to the excess of taxation allowances over depreciation on fixed assets.

24. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
1,866	Ordinary	£1	1,866	1,866
98	Ordinary A	£1	98	98
			1,964	1,964

There are two classes of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

25. RESERVES

Group

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 April 2015	6,540,997	1,634	6,542,631
Profit for the year	999,467		999,467
Dividends	(312,000)		(312,000)
At 31 March 2016	7,228,464	1,634	7,230,098

continued...

25. **RESERVES - continued**

Company

	Retained earnings £	Capital redemption reserve £	Other reserves £	Totals £
At 1 April 2015	2,242,141	1,634	654,647	2,898,422
Profit for the year	620,384			620,384
Dividends	(312,000)			(312,000)
At 31 March 2016	2,550,525	1,634	654,647	3,206,806

Retained earnings - includes all current and prior period retained profits and losses.

Capital redemption reserve - arises from the repurchase or cancellation by the company of ordinary shares.

26. **CONTINGENT LIABILITIES**

The company has guaranteed the bank overdraft facilities of the subsidiary undertakings which are reflected in the consolidated financial statements. This is secured by a fixed and floating charge over the assets of the group.

The company is part of a group VAT scheme with Taylor Davis Limited, both companies are therefore jointly and severally liable for the VAT liability of the group.

27. **CAPITAL COMMITMENTS**

	2016 £	2015 £
Contracted but not provided for in the financial statements	347,652	69,426

28. **RELATED PARTY DISCLOSURES**

C R Atkinson
Director

During the year dividends of £158,500 (2015: £108,500) were paid to C R Atkinson.

	2016 £	2015 £
Amount due to related party at the balance sheet date	-	47,522

G Atkinson
Son of director C R Atkinson

The company has made a loan to G Atkinson. This loan bears interest at 3% and has no fixed repayment terms. Interest of £6,600 was receivable in the year.

	2016 £	2015 £
Amount due from related party at the balance sheet date	120,000	220,000

continued...

28. RELATED PARTY DISCLOSURES - continued

Mrs J E Atkinson
Director

During the year dividends of £153,500 (2015: £103,500) were paid to J E Atkinson.

G Atkinson
Son of director C R Atkinson

During the year a loan was made to G Atkinson. This loan bears interest at 3% and has no fixed repayment terms. Interest of £2,100 was receivable in the year.

	2016	2015
	£	£
Amount due from related party at the balance sheet date	80,000	-

Key management personnel compensation

The remuneration of directors and other members of key management during the year was as follows:

	2016	2015
	£	£
Salaries and other short term benefits	118,907	105,364

29. ULTIMATE CONTROLLING PARTY

The controlling party is C R Atkinson.

30. FIRST YEAR ADOPTION

There are no adjustments arising on transition to FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.