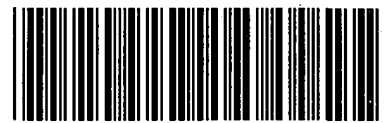


Company Registration No. 00314850 (England and Wales)

**A. Andrews & Sons (Marbles & Tiles) Limited**  
**Annual Report And Financial Statements**  
**For The Year Ended 31 December 2015**

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# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr D M Clough Mr R C Horton Mr M Wilson
<b>Secretary</b>	Mr R C Horton
<b>Company number</b>	00314850
<b>Registered office</b>	324-330 Meanwood Road Leeds LS7 2JE
<b>Auditors</b>	Garbutt & Elliott Audit Limited 33 Park Place Leeds LS1 2RY

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# **A. ANDREWS & SONS (MARBLES & TILES) LIMITED**

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# **A. ANDREWS & SONS (MARBLES & TILES) LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

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

### **Fair review of the business**

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non complex nature of our business and is written in the context of the risks and uncertainties we face. The business continues to provide terrazzo, ceramic and marble services to the construction industry. At the year end, the net assets of the Group totalled £7,356,520 (2014 - £7,152,434).

### **Principal risks and uncertainties**

The company operates as a link in the supply chain and continues to adapt to the changing times. Turnover and margin are, to a large degree, dependent upon clients investing in the construction sector. As the overall level of investment decreases in the industry as a whole, competition increases within the areas where business is available and maintaining turnover and margin becomes ever challenging.

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means they are not subject to a price risk or liquidity risk.

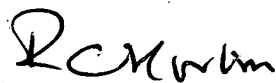
### **Development and performance**

The company's turnover has again been achieved by constricting operating margins to consolidate and, where available, expand its existing market share. A majority is derived from the continued expansion of the major supermarket groups, however, diversification into other markets due to the downturn in the fortunes of supermarket groups has arrested the margin erosion. The anticipated operating profit and profit before tax are in line with directors' expectations and these have not been achieved without continued formidable value engineering to counter the on-going reduced margins imposed by a fiercely competitive market place.

### **Key performance indicators**

We consider that the key performance indicators; turnover, gross margin and return on capital employed have communicated the continued strength of the company in a continually depressed market sector. The net assets of the company have remained above £7m after paying the annual 2015 dividend and proposing interim dividends for 2016.

By order of the board



Mr R C Horton

Secretary

1 July 2016

# **A. ANDREWS & SONS (MARBLES & TILES) LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

---

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

### **Principal activities**

The principal activity of the company continued to be the installation of terrazzo, ceramic and natural stone floor and wall finishes.

During the year the company increased its shareholding in Kengate Holdings Limited, with this company and its subsidiaries becoming group companies. The principal activity of this group is the manufacture of terrazzo flooring.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr D M Clough  
Mr R C Horton  
Mr M Wilson

### **Results and dividends**

The results for the year are set out on page 7.

The directors paid dividends in the year as follows: £29,820 Ordinary annual, £8,151 'A' Ordinary, £96,208 'B' Ordinary, £58,374 'C' Ordinary, £50,083 'D' Ordinary, £29,075 'G' Ordinary and £29,075 'H' Ordinary.

The directors also approved the following interim dividends prior to the balance sheet date: £50,000 'A' Ordinary, £35,000 'C' Ordinary and £35,000 'D' Ordinary.

The directors are proposing a final dividend in respect of the financial year ending 31 December 2015 of £17.50 per Ordinary share, 'A' to 'E' and 'G' to 'H' Ordinary shares (2014 - £15 per Ordinary share). The proposed final dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

The directors recommend that the retained profit (before dividends) of £435,563 is taken to reserves.

### **Future developments**

The directors, where economically viable, will adhere to the planned strategies and react to market changes to ensure the continued stability and strength of the company, enabling it to take advantage of the opportunities as they occur in a continuing economically challenging marketplace.

The continued development of the company in the market place remains a key focus of the directors to maintain where possible its position in a challenging economy, whilst ensuring that the focus on quality and service is not compromised by price.

### **Auditors**

The auditors, Garbutt & Elliott Audit Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

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By order of the board



Mr R C Horton

**Secretary**

1 July 2016

## **A. ANDREWS & SONS (MARBLES & TILES) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors are responsible for preparing the Annual 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 group and company, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

# **A. ANDREWS & SONS (MARBLES & TILES) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A. ANDREWS & SONS (MARBLES & TILES) LIMITED**

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We have audited the financial statements of A. Andrews & Sons (Marbles & Tiles) Limited for the year ended 31 December 2015 which comprise the Consolidated Profit And Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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 auditors**

As explained more fully in the Directors' Responsibilities Statement, 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**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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



## **A. ANDREWS & SONS (MARBLES & TILES) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF A. ANDREWS & SONS (MARBLES & TILES) LIMITED**

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#### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept 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.

*Garbutt & Elliott Audit Limited*

**Mr Richard Green (Senior Statutory Auditor)**  
**for and on behalf of Garbutt & Elliott Audit Limited**

4 July 2016

**Chartered Accountants**  
**Statutory Auditor**

33 Park Place  
Leeds  
LS1 2RY

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	4	12,208,399	10,724,526
Cost of sales		(9,718,655)	(8,881,571)
<b>Gross profit</b>		<b>2,489,744</b>	<b>1,842,955</b>
Administrative expenses		(1,988,423)	(1,572,992)
Other operating income		22,650	27,963
<b>Operating profit</b>	<b>5</b>	<b>523,971</b>	<b>297,926</b>
Interest receivable and similar income	9	43,173	108,870
Interest payable and similar charges	10	(1,576)	-
Amounts written off investments	11	115,616	54,283
<b>Profit before taxation</b>		<b>681,184</b>	<b>461,079</b>
Taxation	12	(252,581)	(66,684)
<b>Profit for the financial year</b>		<b>428,603</b>	<b>394,395</b>
Profit for the financial year is attributable to:			
- Owners of the parent company		435,563	394,395
- Non-controlling interests		(6,960)	-
		<b>428,603</b>	<b>394,395</b>

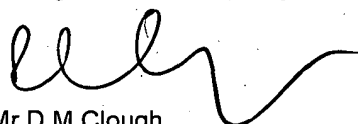
The profit and loss account has been prepared on the basis that all operations are continuing operations.

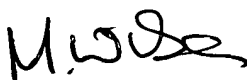
# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

## GROUP BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Goodwill	14	171,482	-
Tangible assets	15	2,121,057	1,122,507
Investments	16	1,712,323	2,003,291
		<u>4,004,862</u>	<u>3,125,798</u>
<b>Current assets</b>			
Stocks	20	1,536,751	963,644
Debtors	21	4,540,531	4,689,830
Cash at bank and in hand		3,023,544	2,612,774
		<u>9,100,826</u>	<u>8,266,248</u>
<b>Creditors: falling due within one year</b>	22	<u>(5,180,252)</u>	<u>(4,239,612)</u>
Net current assets		3,920,574	4,026,636
<b>Total assets less current liabilities</b>		7,925,436	7,152,434
<b>Creditors: amounts falling due after more than one year</b>	23	(340,916)	-
<b>Provisions for liabilities</b>		<u>(228,000)</u>	<u>-</u>
<b>Net assets</b>		<u>7,356,520</u>	<u>7,152,434</u>
<b>Capital and reserves</b>			
Called up share capital	28	6,017	6,017
Other reserves		(1,083,164)	(1,083,164)
Capital redemption reserve		10,464	10,464
Profit and loss reserves		8,233,894	8,219,117
		<u>7,167,211</u>	<u>7,152,434</u>
<b>Equity attributable to owners of the parent company</b>		7,167,211	7,152,434
<b>Non-controlling interests</b>		189,309	-
		<u>7,356,520</u>	<u>7,152,434</u>

The financial statements were approved by the board of directors and authorised for issue on 1 July 2016 and are signed on its behalf by:

  
Mr D M Clough  
Director

  
Mr M Wilson  
Director

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

## COMPANY BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	15	1,270,199	1,122,507
Investments	16	2,585,670	2,003,291
		<u>3,855,869</u>	<u>3,125,798</u>
<b>Current assets</b>			
Stocks	20	804,297	963,644
Debtors	21	5,397,798	4,689,830
Cash at bank and in hand		2,785,226	2,612,774
		<u>8,987,321</u>	<u>8,266,248</u>
<b>Creditors: falling due within one year</b>	22	<u>(5,518,695)</u>	<u>(4,239,612)</u>
<b>Net current assets</b>		<u>3,468,626</u>	<u>4,026,636</u>
<b>Total assets less current liabilities</b>		<u>7,324,495</u>	<u>7,152,434</u>
<b>Provisions for liabilities</b>		<u>(128,000)</u>	<u>-</u>
<b>Net assets</b>		<u><u>7,196,495</u></u>	<u><u>7,152,434</u></u>
<b>Capital and reserves</b>			
Called up share capital	28	6,017	6,017
Other reserves		(1,083,164)	(1,083,164)
Capital redemption reserve		10,464	10,464
Profit and loss reserves		8,263,178	8,219,117
<b>Total equity</b>		<u><u>7,196,495</u></u>	<u><u>7,152,434</u></u>

The financial statements were approved by the board of directors and authorised for issue on 1 July 2016 and are signed on its behalf by:

  
Mr D M Clough  
Director

  
Mr M Wilson  
Director

Company Registration No. 00314850

## A. ANDREWS & SONS (MARBLES & TILES) LIMITED

### GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total equity £	Non- controlling interest £	Total £
<b>Balance at 1 January 2014</b>		6,017	10,464	-	7,989,807	8,006,288	-	8,006,288
Effect of transition to FRS 102	35	-	-	(1,083,164)	225,433	(857,731)	-	(857,731)
<b>As restated</b>		6,017	10,464	(1,083,164)	8,215,240	7,148,557	-	7,148,557
<b>Period ended 31 December 2014:</b>								
Profit and total comprehensive income for the year		-	-	-	394,395	394,395	-	394,395
Dividends	13	-	-	-	(390,518)	(390,518)	-	(390,518)
<b>Balance at 31 December 2014</b>		6,017	10,464	(1,083,164)	8,219,117	7,152,434	-	7,152,434
<b>Period ended 31 December 2015:</b>								
On acquisition		-	-	-	-	-	196,269	196,269
Profit and total comprehensive income for the year		-	-	-	435,563	435,563	(6,960)	428,603
Dividends	13	-	-	-	(420,786)	(420,786)	-	(420,786)
<b>Balance at 31 December 2015</b>		6,017	10,464	(1,083,164)	8,233,894	7,167,211	189,309	7,356,520

Other reserves is the consideration for company own shares paid for by the company on behalf of A Andrews Trustee Limited, the Employee Benefit Trust (EBT). In accordance with FRS 102 s9.33-38, the consideration paid is deducted from equity until such time that the equity instruments vest unconditionally with employees.

Profit and loss reserves include £157,209 (2014 - £176,928) of un-distributable profit relating to revaluation gains made on listed investments, net of deferred tax adjustments and corporation tax liability.

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2014</b>		6,017	10,464	-	7,989,807	8,006,288
Effect of transition to FRS 102		-	-	(1,083,164)	225,433	(857,731)
<b>As restated</b>		6,017	10,464	(1,083,164)	8,215,240	7,148,557
<b>Period ended 31 December 2014:</b>						
Profit and total comprehensive income for the year		-	-	-	394,395	394,395
Dividends	13	-	-	-	(390,518)	(390,518)
<b>Balance at 31 December 2014</b>		6,017	10,464	(1,083,164)	8,219,117	7,152,434
<b>Period ended 31 December 2015:</b>						
Profit and total comprehensive income for the year		-	-	-	464,847	464,847
Dividends	13	-	-	-	(420,786)	(420,786)
<b>Balance at 31 December 2015</b>		6,017	10,464	(1,083,164)	8,263,178	7,196,495

Other reserves is the consideration for company own shares paid for by the company on behalf of A Andrews Trustee Limited, the Employee Benefit Trust (EBT). In accordance with FRS 102 s9.33-38, the consideration paid is deducted from equity until such time that the equity instruments vest unconditionally with employees.

Profit and loss reserves include £157,209 (2014 - £176,928) of un-distributable profit relating to revaluation gains made on listed investments, net of deferred tax adjustments and corporation tax liability.

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	34	1,177,726		415,789	
Interest paid		(1,576)		-	
Income taxes paid		(67,090)		(25,296)	
<b>Net cash inflow from operating activities</b>		<u>1,109,060</u>		<u>390,493</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(51,954)		(201,421)	
Proceeds on disposal of tangible fixed assets		37,531		5,042	
Purchase of subsidiary undertaking (net of cash acquired)		(338,065)		-	
Purchase of fixed asset investments		(226,731)		(325,926)	
Proceeds on disposal of fixed asset investments		249,968		414,192	
Interest received		15,505		14,431	
Dividends received		5,168		4,439	
Other investment income received		22,500		90,000	
<b>Net cash (used in)/generated from investing activities</b>		<u>(286,078)</u>		<u>757</u>	
<b>Financing activities</b>					
Repayment of bank loans		(9,228)		-	
Payment of finance leases obligations		(8,788)		-	
Dividends paid to equity shareholders		(394,196)		(297,108)	
<b>Net cash used in financing activities</b>		<u>(412,212)</u>		<u>(297,108)</u>	
<b>Net increase in cash and cash equivalents</b>		<u>410,770</u>		<u>94,142</u>	
Cash and cash equivalents at beginning of year		2,612,774		2,518,632	
<b>Cash and cash equivalents at end of year</b>		<u><u>3,023,544</u></u>		<u><u>2,612,774</u></u>	

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

---

### 1 Accounting policies

#### Company information

A. Andrews & Sons (Marbles & Tiles) Limited ("the Company") is a limited company domiciled and incorporated in England and Wales. The registered office is 324-330 Meanwood Road, Leeds, West Yorkshire, LS7 2JE.

The Group consists of A. Andrews & Sons (Marbles & Tiles) Limited and all of its subsidiaries.

#### 1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of A. Andrews & Sons (Marbles & Tiles) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 35.

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £464,847 (2014 - £394,395 profit).

#### 1.2 Basis of consolidation

The consolidated financial statements incorporate those of A. Andrews & Sons (Marbles & Tiles) Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2015.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.



# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

### 1 Accounting policies

(Continued)

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Turnover

Turnover represents amounts receivable for installing and supplying terrazzo, ceramic and natural stone floor and wall finishes net of VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	1% straight line
Plant and machinery	15% reducing balance
Fixtures, fittings and equipment	10% and 20% straight line
Motor vehicles	20% straight line

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

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### 1 Accounting policies

(Continued)

#### 1.7 Fixed asset investments

Equity instruments are measured at fair value through profit or loss except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Listed investments are valued at fair value.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method.

Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the Company financial statements investments in associates are accounted for at cost less impairment.

#### 1.8 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

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### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where 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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

# **A. ANDREWS & SONS (MARBLES & TILES) LIMITED**

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

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### **1 Accounting policies**

**(Continued)**

#### **1.13 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.14 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.15 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

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### 1 Accounting policies

(Continued)

#### 1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

#### 1.18 EBT shares treated as equity

FRS 102 s9.33-38 identifies that when intermediate payment arrangements, such as Employee Benefit Trusts (EBTs), hold the sponsoring entity's equity instruments the sponsoring entity shall account for the equity instruments as if it had purchased them directly. Therefore consideration paid for shares by the company on behalf of the EBT are recognised as a separate reserve within the Statement Of Changes In Equity.

### 2 Change in accounting policy

From 1 January 2015, the group changed its accounting estimates for depreciation rates as follows:

Freehold buildings - from nil to 1% straight line

The policy was changed to provide a fairer reflection of the value of the freehold buildings in a future date and to bring the company in line with the new FRS 102 accounting framework.

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

### 3 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Work in Progress

Work in progress is recognised for jobs which commenced before the Balance Sheet date, but were not completed. The valuation is estimated based on the actual costs incurred before the Balance Sheet date, which include labour, materials and other costs specifically allocated to the individual job by the quantity surveyor.

#### Investment Valuations

Listed investments are recognised at fair value based on the market valuation at the Balance Sheet date. The market valuation is based on the quote prices communicated by fund managers.

### 4 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2015 £	2014 £
<b>Turnover</b>		
Terrazzo	6,081,170	4,684,431
Pre Cast	419,093	611,016
Glasgow	1,245,939	1,529,200
Ceramic	2,802,829	2,460,341
Marble	596,418	608,592
Worktop	170,301	119,935
Fireplace	-	600
Tile showroom	878,907	731,279
Carriage and pallet recharges	13,742	-
Discounts allowed	-	(20,868)
	<u>12,208,399</u>	<u>10,724,526</u>
<b>Other significant revenue</b>		
Interest income	15,505	14,431
Dividends received	5,168	4,439
	<u>20,673,072</u>	<u>15,163,396</u>

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

### 4 Turnover and other revenue (Continued)

#### Turnover analysed by geographical market

	2015 £	2014 £
United Kingdom	12,208,399	10,724,526

### 5 Operating (loss)/profit

	2015 £	2014 £
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Operating (loss)/profit for the year is stated after charging/(crediting):

Exchange losses/(gains)	251	-
Depreciation of owned tangible fixed assets	134,742	133,780
Depreciation of tangible fixed assets held under finance leases	22,592	-
Loss on disposal of tangible fixed assets	24,746	(5,042)
Amortisation of intangible assets	1,441	-
Cost of stocks recognised as an expense	7,099,913	6,600,020
Operating lease charges	43,183	36,073

### 6 Auditors' remuneration

	2015 £	2014 £
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Fees payable to the company's auditor and its associates:

#### For audit services

Audit of the financial statements of the group and company	8,000	8,000
Audit of the company's subsidiaries	179	-
	8,179	8,000

### 7 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2015 Number	2014 Number
Contracts, stores, manufacturing and distribution	89	63
Administration	33	27
	122	90



# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

### 7 Employees (Continued)

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	2,753,089	2,368,381
Social security costs	287,810	251,899
Pension costs	325,097	125,575
	<u>3,365,996</u>	<u>2,745,855</u>

### 8 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	44,092	49,268
Company pension contributions to defined contribution schemes	260,550	61,788
Pensions to former directors	6,543	11,783
	<u>311,185</u>	<u>122,839</u>

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

### 9 Interest receivable and similar income

	2015 £	2014 £
<b>Interest income</b>		
Interest on bank deposits	15,505	14,431
<b>Other income from investments</b>		
Dividends received	5,168	4,439
	<u>20,673</u>	<u>18,870</u>
<b>Income from fixed asset investments</b>		
Income from participating interests - associates	22,500	90,000
<b>Total income</b>	<u>43,173</u>	<u>108,870</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>15,505</u>	<u>14,431</u>
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# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

### 10 Interest payable and similar charges

	2015	2014
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	474	-
Interest on finance leases and hire purchase contracts	1,102	-
	<u>1,576</u>	<u>-</u>

### 11 Fair value movements

	2015	2014
	£	£
<b>Fair value gains/(losses) on financial instruments</b>		
Change in value of financial assets held at fair value through profit or loss	21,662	(48,505)
<b>Other gains/(losses)</b>		
Gain on disposal of financial assets held at fair value through profit or loss	9,300	102,788
Other gains and losses	84,654	-
	<u>115,616</u>	<u>54,283</u>

### 12 Taxation

	2015	2014
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	134,410	66,752
Adjustments in respect of prior periods	338	(68)
Total current tax	<u>134,748</u>	<u>66,684</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	117,833	-
Total tax charge	<u>252,581</u>	<u>66,684</u>

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

### 12 Taxation

(Continued)

The charge for the year can be reconciled to the loss per the profit and loss account as follows:

	2015 £	2014 £
Profit before taxation	681,184	461,079
Expected tax charge based on the standard rate of corporation tax in the UK of 20.25% (2014: 20.00%)	137,940	92,216
Tax effect of expenses that are not deductible in determining taxable profit	38,115	168
Adjustments in respect of prior years	338	(68)
Permanent capital allowances in excess of depreciation	(28,819)	(14,732)
Effect of revaluations of investments	(9,494)	-
Dividend income	(5,603)	(20,168)
Other tax adjustments	5,604	(433)
Adjustment for previously unrecognised DT liabilities	114,500	-
Transition adjustments	-	9,701
Tax expense for the year	252,581	66,684

### 13 Dividends

	2015 £	2014 £
Interim paid	420,786	390,518
	420,786	390,518

The interim dividends paid in the year were as follows: £29,820 Ordinary annual, £8,151 'A' Ordinary, £96,208 'B' Ordinary, £58,374 'C' Ordinary, £50,083 'D' Ordinary, £29,075 'G' Ordinary and £29,075 'H' Ordinary.

The directors also approved the following interim dividends prior to the balance sheet date: £50,000 'A' Ordinary, £35,000 'C' Ordinary and £35,000 'D' Ordinary.

The directors are proposing a final dividend in respect of the financial year ending 31 December 2015 of £17.50 per Ordinary share, 'A' to 'E' and 'G' to 'H' Ordinary shares (2014 - £15 per Ordinary share). The proposed final dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

### 14 Intangible fixed assets

<b>Group</b>	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2015	30,000
Additions	172,923
	<u>202,923</u>
At 31 December 2015	
<b>Amortisation and impairment</b>	
At 1 January 2015	30,000
Amortisation charged for the year	1,441
	<u>31,441</u>
At 31 December 2015	
<b>Carrying amount</b>	
At 31 December 2015	171,482
	<u><u>-</u></u>
At 31 December 2014	
	<u><u>-</u></u>
<b>Company</b>	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2015 and 31 December 2015	30,000
	<u>30,000</u>
<b>Amortisation and impairment</b>	
At 1 January 2015 and 31 December 2015	30,000
	<u>30,000</u>
<b>Carrying amount</b>	
At 31 December 2015	-
	<u><u>-</u></u>
At 31 December 2014	
	<u><u>-</u></u>

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

### 15 Tangible fixed assets

Group	Freehold land and buildings	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2015	554,029	1,609,279	379,549	632,822	3,175,679
Additions	39,446	441,159	7,861	162,036	650,502
Disposals	-	(64,858)	-	(110,032)	(174,890)
At 31 December 2015	593,475	1,985,580	387,410	684,826	3,651,291
<b>Depreciation and impairment</b>					
At 1 January 2015	-	776,864	323,129	365,630	1,465,623
Depreciation charged in the year	5,900	56,119	9,384	85,931	157,334
Eliminated in respect of disposals	-	-	-	(92,723)	(92,723)
At 31 December 2015	5,900	832,983	332,513	358,838	1,530,234
<b>Carrying amount</b>					
At 31 December 2015	587,575	1,152,597	54,897	325,988	2,121,057
At 31 December 2014	554,029	244,882	56,404	267,192	1,122,507

Company	Freehold land and buildings	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2015	554,029	790,567	230,101	632,822	2,207,519
Additions	39,446	108,700	7,861	162,036	318,043
Disposals	-	-	-	(110,032)	(110,032)
At 31 December 2015	593,475	899,267	237,962	684,826	2,415,530
<b>Depreciation and impairment</b>					
At 1 January 2015	-	545,685	173,697	365,630	1,085,012
Depreciation charged in the year	5,900	51,843	9,368	85,931	153,042
Eliminated in respect of disposals	-	-	-	(92,723)	(92,723)
At 31 December 2015	5,900	597,528	183,065	358,838	1,145,331
<b>Carrying amount</b>					
At 31 December 2015	587,575	301,739	54,897	325,988	1,270,199
At 31 December 2014	554,029	244,882	56,404	267,192	1,122,507

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

### 15 Tangible fixed assets

(Continued)

The carrying value of land and buildings comprises:

	Group 2015 £	2014 £	Company 2015 £	2014 £
Freehold land	275,000	275,000	275,000	275,000

Freehold land is not depreciated.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £22592 (2014 - £0) for the year.

	Group 2015 £	2014 £	Company 2015 £	2014 £
Plant and machinery	413,901	-	-	-

### 16 Fixed asset investments

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Investments in subsidiaries	17	-	1	873,347	1
Investments in associates	18	1	298,693	1	298,693
Listed investments		1,712,322	1,704,597	1,712,322	1,704,597
		1,712,323	2,003,291	2,585,670	2,003,291
Listed investments carrying amount		1,712,322	1,704,597	1,712,322	1,704,597

Listed investments are recognised at fair value based on market valuations at the Balance Sheet date. Comparable valuations on the historical cost basis is £1,513,733 (2014 - £1,527,669).

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

### 16 Fixed asset investments

(Continued)

#### Movements in fixed asset investments Group

Shares and  
other  
investments  
other than  
loans  
£

#### Cost or valuation

At 1 January 2015

2,172,599

Additions

226,730

Valuation changes

21,662

Kengate Holdings Limited

(468,000)

A Andrews Trustees Limited

(1)

Disposals

(240,667)

At 31 December 2015

1,712,323

#### Impairment

At 1 January 2015

169,308

Kengate Holdings Limited

(169,308)

At 31 December 2015

-

#### Carrying amount

At 31 December 2015

1,712,323

At 31 December 2014

2,003,291

During the year, the company increased its shareholding in Kengate Holdings Limited, changing the relationship from an associate to a subsidiary undertaking. Therefore, the cost and impairment relating to the initial associate investment is removed from fixed asset investments on consolidation.

In addition, the subsidiary investment in A Andrews Trustees Limited is removed on consolidation.

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

### 16 Fixed asset investments

(Continued)

#### Movements in fixed asset investments Company

Shares and  
other  
investments  
other than  
loans  
£

#### Cost or valuation

At 1 January 2015

2,172,599

Additions

716,730

Valuation changes

21,662

Disposals

(240,667)

At 31 December 2015

2,670,324

#### Impairment

At 1 January 2015

169,308

Reversal

(84,654)

At 31 December 2015

84,654

#### Carrying amount

At 31 December 2015

2,585,670

At 31 December 2014

2,003,291

### 17 Subsidiaries

Details of the company's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct Indirect	
Kengate Holdings Limited	England & Wales	Holding company	Ordinary	80.00	
QTL Holdings Limited	England & Wales	Holding company	Ordinary		80.00
Quiligotti Terrazzo Tiles Limited	England & Wales	Manufacture of terrazzo flooring	Ordinary		80.00
A Andrews Trustee Limited	England & Wales	Dormant	Ordinary	100.00	

The investments in subsidiaries are all stated at cost.



# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

### 18 Associates

Details of associates at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Kengate Terrazzo Limited	England & Wales	Dormant	Ordinary	50.00

### 19 Financial instruments

	Group 2015 £	2014 £	Company 2015 £	2014 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	7,470,796	7,247,329	8,114,865	7,247,329
Equity instruments measured at cost less impairment	1,712,323	2,003,291	2,585,670	2,003,291
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	4,912,383	3,739,377	5,008,218	3,739,377
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 20 Stocks

	Group 2015 £	2014 £	Company 2015 £	2014 £
Raw materials and consumables	173,549	-	-	-
Work in progress	609,378	748,679	587,411	748,679
Finished goods and goods for resale	753,824	214,965	216,886	214,965
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	1,536,751	963,644	804,297	963,644
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

### 21 Debtors

	Group 2015 £	2014 £	Company 2015 £	2014 £
<b>Amounts falling due within one year:</b>				
Trade debtors	4,444,458	3,590,692	4,286,707	3,590,692
Other debtors	2,794	1,043,863	1,042,932	1,043,863
Prepayments and accrued income	79,779	55,275	54,659	55,275
	<u>4,527,031</u>	<u>4,689,830</u>	<u>5,384,298</u>	<u>4,689,830</u>
<b>Amounts falling due after one year:</b>				
Deferred tax asset (note 26)	13,500	-	13,500	-
	<u>13,500</u>	<u>-</u>	<u>13,500</u>	<u>-</u>
<b>Total debtors</b>	<u>4,540,531</u>	<u>4,689,830</u>	<u>5,397,798</u>	<u>4,689,830</u>

### 22 Creditors: falling due within one year

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Loans and overdrafts	24	94,064	-	-	-
Obligations under finance leases	25	105,456	-	-	-
Corporation tax payable		144,867	66,752	133,459	66,752
Other taxation and social security		463,918	433,483	377,018	433,483
Trade creditors		3,618,739	2,508,508	3,215,530	2,508,508
Amounts due to subsidiary undertakings		-	-	192,860	-
Dividends payable		120,000	93,410	120,000	93,410
Other creditors		14,680	1,040,138	1,040,138	1,040,138
Accruals and deferred income		618,528	97,321	439,690	97,321
		<u>5,180,252</u>	<u>4,239,612</u>	<u>5,518,695</u>	<u>4,239,612</u>

### 23 Creditors: amounts falling due after more than one year

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Loans and overdrafts	24	40,384	-	-	-
Obligations under finance leases	25	300,532	-	-	-
		<u>340,916</u>	<u>-</u>	<u>-</u>	<u>-</u>

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

### 24 Loans and overdrafts

	Group 2015 £	2014 £	Company 2015 £	2014 £
Bank loans	134,448	-	-	-
Payable within one year	94,064	-	-	-
Payable after one year	40,384	-	-	-

The long-term loans of subsidiaries are secured.

A chattels loan is secured on individually identified machinery, of which £84,448 (2014 - £nil) was repayable at the year end with £44,064 (2014 - £nil) payable within one year. The loan is being repaid by monthly instalments of £4,224.35 at 3.75% interest, with the final payment being in October 2017.

The remaining loan balance is secured by a debenture over the subsidiary Quiligotti Terrazzo Tiles, with group companies and directors providing guarantees. At the year end £50,000 (2014 - £nil) was repayable, with £50,000 (2014 - £nil) payable within one year, with the balance paid by monthly instalments of £5,947.49 at 4% p.a. interest over the Base Rate, with the final payment being in October 2016.

### 25 Finance lease obligations

	Group 2015 £	2014 £	Company 2015 £	2014 £
Future minimum lease payments due under finance leases:				
Within one year	105,456	-	-	-
In two to five years	300,532	-	-	-
	405,988	-	-	-

Finance lease payments represent rentals payable by subsidiaries for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

### 26 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2015 £	Liabilities 2014 £	Assets 2015 £	Assets 2014 £
<b>Group</b>				
Accelerated capital allowances	187,000	-	-	-
Investments	41,000	-	13,500	-
	<u>228,000</u>	<u>-</u>	<u>13,500</u>	<u>-</u>

	Liabilities 2015 £	Liabilities 2014 £	Assets 2015 £	Assets 2014 £
<b>Company</b>				
Accelerated capital allowances	87,000	-	-	-
Investments	41,000	-	13,500	-
	<u>128,000</u>	<u>-</u>	<u>13,500</u>	<u>-</u>

	Group 2015 £	Company 2015 £
<b>Movements in the year:</b>		
Liability at 1 January 2015	-	-
Charge to profit or loss	214,500	114,500
Liability at 31 December 2015	<u>214,500</u>	<u>114,500</u>

### 27 Retirement benefit schemes

	2015 £	2014 £
<b>Defined contribution schemes</b>		
Charge to profit and loss in respect of defined contribution schemes	<u>325,097</u>	<u>125,575</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

### 28 Share capital

	Group and company	
	2015	2014
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1,953 Ordinary shares of £1 each	1,953	1,953
30 'A' Ordinary shares of £1 each	30	30
496 'B' Ordinary shares of £1 each	496	496
15 'C' Ordinary shares of £1 each	15	15
15 'D' Ordinary shares of £1 each	15	15
60 'E' Ordinary shares of £1 each	60	60
3,438 'F' Ordinary shares of £1 each	3,438	3,438
5 'G' Ordinary shares of £1 each	5	5
5 'H' Ordinary shares of £1 each	5	5
	<u>6,017</u>	<u>6,017</u>

The Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

The other share classes rank pari passu with the Ordinary shares.

### 29 Operating lease commitments

#### Lessee

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Within one year	114,343	32,843	32,843	32,843
Between two and five years	353,544	95,971	62,948	95,971
	<u>467,887</u>	<u>128,814</u>	<u>95,791</u>	<u>128,814</u>

### 30 Events after the reporting date

After the reporting date, the company disposed of 52,000 Ordinary A shares of £1 each in Kengate Holdings Limited for consideration of £68,571.

In addition, the company purchased 1,308 Ordinary shares of £1 each on behalf of the employee benefit trust A Andrews Trustee Limited for consideration of £639,000.

## A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

#### 31 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel, including directors, is as follows.

	2015 £	2014 £
Aggregate compensation	320,908	111,056

##### A Andrews Trustee Limited

The company recognises the assets and liabilities of the employee benefit trust A Andrews Trustee Limited. This intermediary is only used for buying company shares back from other shareholders, with no restrictions relating to the assets and liabilities. No equity instruments are under option to employees or conditionally gifted to them.

A Andrews Trustee Limited holds 25 (2014 - 25) Ordinary shares of £1 each and 3,438 (2014 - 25) F Ordinary shares of the company. The consideration paid by the company on behalf of A Andrews Trustee Limited for these shares amounts to £1,083,164 (2014 - £1,083,164) and is included within Other reserves in the balance sheet of these financial statements.

##### Guarantees

The following directors of subsidiary undertakings have provided guarantees for the Quiligotti Terrazzo Tiles Limited bank loan:

Mr D A McCartney £67,500 (2014 - £67,500)

Mr D W Gratrix £7,500 (2014 - £7,500)

Mr S J Clark £7,500 (2014 - £7,500)

#### 32 Directors' transactions

Dividends totalling £390,966 (2014 - £370,638) were paid in the year in respect of shares held by the company's directors and their spouses.

#### 33 Controlling party

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

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

34 Cash generated from operations	2015 £	2014 £
Profit for the year after tax	428,603	394,395
Adjustments for:		
Taxation charged	252,581	66,684
Finance costs	1,576	-
Investment income	(43,173)	(108,870)
Loss/(gain) on disposal of tangible fixed assets	24,746	(5,042)
Amortisation and impairment of intangible assets	1,441	-
Depreciation and impairment of tangible fixed assets	157,334	133,780
Amounts written off investments	(115,616)	(54,283)
Movements in working capital:		
Decrease/(increase) in stocks	107,132	(102,926)
(Increase)/decrease in debtors	(705,379)	292,187
Increase/(decrease) in creditors	1,068,481	(200,136)
<b>Cash generated from operations</b>	<b>1,177,726</b>	<b>415,789</b>

### Purchase of subsidiary undertaking

£

#### Net assets acquired:

Tangible fixed assets	868,054
Stock	680,239
Debtors	726,759
Cash at bank	151,935
Creditors	(1,348,974)
Deferred tax	(96,667)

981,346

#### Goodwill

172,923

#### Non-controlling interest

(196,269)

958,000

#### Net cash:

Purchase consideration	958,000
Less cash paid historically	(468,000)
Cash at acquisition	(151,935)

### Purchase of subsidiary undertaking (net of cash acquired)

338,065

# A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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

### 35 Reconciliations on adoption of FRS 102

#### Reconciliation of equity - group and company

	Notes	1 January 2014 £	31 December 2014 £
Equity as reported under previous UK GAAP		8,006,288	8,058,670
Adjustments arising from transition to FRS 102:			
Unrealised gains on listed investments recognised at FVTPL	1	225,433	176,928
EBT shares treated as equity	2	(1,083,164)	(1,083,164)
Equity reported under FRS 102		<u>7,148,557</u>	<u>7,152,434</u>

#### Reconciliation of profit or loss - group and company

	Notes	2014 £
Profit or loss as reported under previous UK GAAP		481,585
As restated		481,585
Adjustments arising from transition to FRS 102:		
Unrealised gains on listed investments recognised at FVTPL	1	(48,505)
EBT shares treated as equity	2	-
Profit or loss reported under FRS 102		<u>433,080</u>

#### Notes to reconciliations on adoption of FRS 102 - group and company

##### 1. Unrealised gains on listed investments recognised at FVTPL

Sections 11 and 12 of FRS 102 require other financial instruments, such as quoted bonds and shares, to be valued at fair value through profit or loss, whereas previously these investments were recognised at the lower of cost and valuation. Therefore this adjustment is to revalue these listed investments at fair value.

##### 2. EBT shares treated as equity

FRS 102 s9.33-38 identifies that when intermediate payment arrangements, such as Employee Benefit Trusts (EBTs), hold the sponsoring entity's equity instruments the sponsoring entity shall account for the equity instruments as if it had purchased them directly. Therefore consideration paid for shares by the company on behalf of the EBT are recognised as a separate reserve within the Statement Of Changes In Equity.

The above transitional adjustments were also applicable to the individual company.