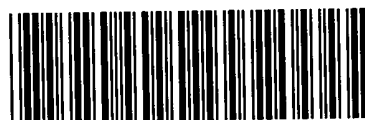


**COMPANY REGISTRATION NUMBER: 01339137**

**Registrar of Companies**

**FRANK JOHNSTON (TRACTORS) LIMITED  
ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 JANUARY 2016**

THURSDAY



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27/10/2016

#36

COMPANIES HOUSE

**DAVID ALLEN**

Chartered Accountants & Statutory Auditor  
Dalmar House  
Barras Lane Estate  
Dalston  
Carlisle  
CA5 7NY

**FRANK JOHNSTON (TRACTORS) LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 2016**

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<b>CONTENTS</b>	<b>PAGES</b>
Officers and professional advisers	<b>1</b>
Strategic report	<b>2</b>
Directors' report	<b>3 to 4</b>
Independent auditor's report to the company	<b>5</b>
Abbreviated statement of comprehensive income	<b>6</b>
Balance sheet	<b>7</b>
Statement of cash flows	<b>8</b>
Notes to the abbreviated financial statements	<b>9 to 19</b>

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**FRANK JOHNSTON (TRACTORS) LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

---

**The board of directors**

Mr H Johnston  
Miss L Johnston

**Company secretary**

Miss L Johnston

**Registered office**

Montgomery Way  
Rosehill Industrial Estate  
Carlisle  
CA1 2RW

**Accountants**

David Allen  
Chartered Accountants & Statutory Auditor  
Dalmar House  
Barras Lane Estate  
Dalston  
Carlisle  
CA5 7NY

**Bankers**

HSBC Bank plc  
29 English Street  
Carlisle  
CA3 8JT

Barclays Bank plc  
Montgomery Way  
Rosehill Industrial Estate  
Carlisle  
CA1 2RT

# **FRANK JOHNSTON (TRACTORS) LIMITED**

## **STRATEGIC REPORT**

**YEAR ENDED 31 JANUARY 2016**

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The company's principal activity during the year continued to be that of agricultural engineers and equipment distributors.

### **Summary of results, performance and position**

The Key Performance Indicators (KPIs) of the company show that turnover has decreased in this financial year, with gross profit generated also decreasing as a result. The results also show that the operating profit percentage has decreased from the previous year. The KPIs show the following results:

	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>11,424,271</b>	12,891,592	11,983,622
<b>Gross profit</b>	<b>907,384</b>	1,001,779	1,196,987
	<b>%</b>	<b>%</b>	<b>%</b>
<b>Gross profit percentage</b>	<b>7.94</b>	7.77	9.99
<b>Operating profit percentage</b>	<b>2.32</b>	2.73	3.85
<b>Creditor days</b>	<b>62</b>	87	58
<b>Debtor days</b>	<b>30</b>	25	15

The company has shown a decrease in turnover from that in the previous year, although gross profit percentage has increased in the current year, this has not been as strong as in 2014 which is a reflection of the competitiveness of the marketplace.

The directors are satisfied with the company's level of activities and profits generated and are confident that the company can sustain its operations and maintain profitability in the coming financial year.

### **Principal risks and uncertainties**

The market for agricultural equipment is expected to continue to be trending downward during the forthcoming year as a result of reduced commodity prices in agriculture. Export of used equipment may continue to be difficult depending on exchange rates against the sterling, therefore the directors do not expect turnover will increase during the next fiscal year.

### **Future developments**

The directors plan to continue with the company's present operations and strategies, as well as making further investments in facilities and equipment.

With effect from 1 February 2016, Johnston Tractors Limited (a wholly owned subsidiary of Frank Johnston (Tractors) Limited) took over the trade of Frank Johnston (Tractors) Limited. Frank Johnston (Tractors) Limited will act as the holding company as from this date.

This report was approved by the board of directors on 13 September 2016 and signed on behalf of the board by:

  
Miss L Johnston  
Company Secretary

# **FRANK JOHNSTON (TRACTORS) LIMITED**

## **DIRECTORS' REPORT**

**YEAR ENDED 31 JANUARY 2016**

---

The directors present their report and the abbreviated financial statements of the company for the year ended 31 January 2016.

### **PRINCIPAL PLACE OF BUSINESS**

Frank Johnston (Tractors) Limited is a company incorporated in England, its principal place of business is Montgomery Way, Rosehill Industrial Estate, Carlisle, CA1 2RW.

### **DIRECTORS'**

The directors who served the company during the year were as follows:

Mr H Johnston  
Miss L Johnston

### **DIVIDENDS**

Particulars of recommended dividends are detailed in note 10 to the financial statements.

### **FUTURE DEVELOPMENTS**

Future developments are discussed in the strategic report.

### **FINANCIAL INSTRUMENTS**

The company uses basic financial instruments, including bank overdrafts and various items such as trade debtors and trade creditors that arise directly from its operations. The main risks associated with these are cash flow, liquidity and interest risk. The company seeks to ensure sufficient liquidity is available to meet foreseeable needs and uses banking facilities to achieve short term flexibility.

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**FRANK JOHNSTON (TRACTORS) LIMITED**

**DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 JANUARY 2016**

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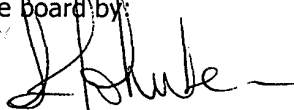
**AUDITOR**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

David Allen is re-appointed as auditor for the ensuing year in accordance with section 485 of the Companies Act 2006.

This report was approved by the board of directors on 13 September 2016 and signed on behalf of the board by:



Miss L Johnston  
Company Secretary

**FRANK JOHNSTON (TRACTORS) LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO FRANK JOHNSTON (TRACTORS) LIMITED under section 449 of the Companies Act 2006**

**YEAR ENDED 31 JANUARY 2016**

---

We have examined the abbreviated financial statements which comprise the abbreviated statement of comprehensive income, balance sheet, statement of cash flows and the related notes, together with the financial statements of Frank Johnston (Tractors) Limited for the year ended 31 January 2016 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company's shareholders as a body, in accordance with Section 449 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in a special 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The directors are responsible for preparing the abbreviated financial statements in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared.

**OPINION**

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section.

ALISON WELTON (Senior Statutory Auditor)

For and on behalf of  
David Allen  
Chartered Accountants & Statutory Auditor  
Dalmar House  
Barras Lane Estate  
Dalston  
Carlisle  
CA5 7NY

13 September 2016

**FRANK JOHNSTON (TRACTORS) LIMITED****ABBREVIATED STATEMENT OF COMPREHENSIVE INCOME****YEAR ENDED 31 JANUARY 2016**

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	Note	2016 £	2015 £
<b>TURNOVER</b>	<b>2</b>	<b>11,424,271</b>	12,891,592
Cost of sales and other operating income		<b>10,491,887</b>	11,864,813
Administrative expenses		<b>667,688</b>	675,346
<b>OPERATING PROFIT</b>	<b>4</b>	<b>264,696</b>	351,433
Other interest receivable and similar income		<b>5,360</b>	6,741
Interest payable and similar charges	<b>8</b>	<b>50,823</b>	49,963
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>219,233</b>	308,211
Tax on profit on ordinary activities	<b>9</b>	<b>44,792</b>	56,162
<b>PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME</b>		<b>174,441</b>	252,049

All the activities of the company are from continuing operations.

---

The notes on pages 9 to 19 form part of these financial statements.

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**FRANK JOHNSTON (TRACTORS) LIMITED****BALANCE SHEET****31 JANUARY 2016**

	Note	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	11	779,444	805,548
Investments	12	1,000	1,000
		<b>780,444</b>	806,548
<b>CURRENT ASSETS</b>			
Stocks	13	3,631,103	4,660,307
Debtors	14	1,638,013	1,619,413
Cash at bank and in hand	15	1,670	41,058
		<b>5,270,786</b>	6,320,778
<b>CREDITORS: amounts falling due within one year</b>	16	3,437,665	4,560,495
<b>NET CURRENT ASSETS</b>		<b>1,833,121</b>	1,760,283
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>2,613,565</b>	2,566,831
<b>CREDITORS: amounts falling due after more than one year</b>	17	7,167	50,167
<b>PROVISIONS</b>			
Taxation including deferred tax	19	61,995	66,702
<b>NET ASSETS</b>		<b>2,544,403</b>	2,449,962
<b>CAPITAL AND RESERVES</b>			
Called up share capital	22	5,100	5,100
Profit and loss account	23	2,539,303	2,444,862
<b>SHAREHOLDERS' FUNDS</b>		<b>2,544,403</b>	2,449,962

These financial statements have been prepared in accordance with the special provisions of section 445(3) Companies Act 2006 in regard to medium-sized companies.

These abbreviated financial statements were approved by the board of directors and authorised for issue on 13 September 2016, and are signed on behalf of the board by:



Mr H Johnston  
Director

Company registration number: 01339137

The notes on pages 9 to 19 form part of these financial statements.

**FRANK JOHNSTON (TRACTORS) LIMITED****STATEMENT OF CASH FLOWS****YEAR ENDED 31 JANUARY 2016**

	Note	2016 £	2015 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the financial year		<b>174,441</b>	252,049
<i>Adjustments for:</i>			
Depreciation of tangible assets		<b>120,205</b>	104,347
Other interest receivable and similar income		<b>(5,360)</b>	(6,741)
Interest payable and similar charges		<b>50,823</b>	49,963
Gains on disposal of tangible assets		<b>(44,116)</b>	(73,135)
Tax on profit on ordinary activities		<b>44,792</b>	56,162
Accrued expenses		<b>29,720</b>	4,004
<i>Changes in:</i>			
Stocks		<b>1,029,204</b>	(805,793)
Trade and other debtors		<b>(18,600)</b>	(722,473)
Trade and other creditors		<b>(1,453,500)</b>	1,512,158
Cash generated from operations		<b>(72,391)</b>	370,541
Interest paid		<b>(50,823)</b>	(49,963)
Interest received		<b>5,360</b>	6,741
Tax paid		<b>(55,777)</b>	(81,807)
Net cash (used in)/from operating activities		<b>(173,631)</b>	245,512
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of tangible assets		<b>(191,672)</b>	(250,239)
Proceeds from sale of tangible assets		<b>141,687</b>	173,725
Acquisition of subsidiaries		<b>–</b>	(1,000)
Net cash used in investing activities		<b>(49,985)</b>	(77,514)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		<b>9,645</b>	7,434
Dividends paid		<b>(80,000)</b>	(80,000)
Net cash used in financing activities		<b>(70,355)</b>	(72,566)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(293,971)</b>	95,432
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>(827,418)</b>	(922,850)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>15</b>	<b>(1,121,389)</b>	(827,418)

The notes on pages 9 to 19 form part of these financial statements.

**FRANK JOHNSTON (TRACTORS) LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**

**YEAR ENDED 31 JANUARY 2016**

---

**1. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis and in accordance with applicable accounting standards.

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

**Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 February 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 26.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

**Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied, stated net of discounts and of Value Added Tax.

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

When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period.

When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

**FRANK JOHNSTON (TRACTORS) LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS *(continued)*****YEAR ENDED 31 JANUARY 2016**

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**1. ACCOUNTING POLICIES *(continued)*****Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of income.

**Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in the statement of income. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in the statement of income.

**Investment property**

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in the statement of income.

**Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 15% straight line
Fixtures and fittings	- 15% straight line
Motor vehicles	- 15% or 25% straight line

# **FRANK JOHNSTON (TRACTORS) LIMITED**

## **NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS *(continued)***

**YEAR ENDED 31 JANUARY 2016**

---

### **1. ACCOUNTING POLICIES *(continued)***

No depreciation has been provided for on the land and buildings as they are kept in a sound state of repair and in the opinion of the directors the residual value is so high and the useful economic life so long that the depreciation charge would be immaterial. This is not in accordance with FRS 102. The departure from the provisions of FRS 102 is required in order to give a true and fair view.

#### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

#### **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

#### **Stocks and work in progress**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in the statement of income unless the provision was originally recognised as part of the cost of an asset.

#### **Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

**FRANK JOHNSTON (TRACTORS) LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS *(continued)***

**YEAR ENDED 31 JANUARY 2016**

---

**1. ACCOUNTING POLICIES *(continued)***

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

**Debtors**

Trade debtors are measured at transaction price, less any impairment losses for bad and doubtful debts. Other debtors are measured at their recoverable amounts. Prepayments are calculated as amounts paid during the financial year, but which related to a future financial period. Accrued income is recognised where the entity is entitled to the income in the financial year, but the receipt does not occur until a future financial year.

**Cash and cash equivalents**

Cash and cash equivalents comprise all cash held, in bank current accounts, and in bank overdrafts. In the balance sheet, bank overdrafts are shown within current liabilities.

**Creditors**

Creditors are recognised when there is an obligation to transfer funds to a third party in settlement and the amount can be measured reliably. Accruals are calculated as amounts relating to the financial year, but which are paid after the year end. Deferred income includes amounts received in the financial year for revenue relating to future periods.

**FRANK JOHNSTON (TRACTORS) LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JANUARY 2016**

---

**2. TURNOVER**

Turnover arises from:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Sale of goods	<b>10,771,251</b>	12,242,953
Rendering of services	<b>624,740</b>	620,195
Commissions	<b>28,280</b>	28,444
	<b><u>11,424,271</u></b>	<u>12,891,592</u>

**3. OTHER OPERATING INCOME**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Rental income	<b><u>25,000</u></b>	<u>25,000</u>

**4. OPERATING PROFIT**

Operating profit or loss is stated after charging:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible assets	<b>120,205</b>	104,347
Profit on disposal of tangible assets	<b>(44,116)</b>	(73,135)
Foreign exchange differences	<b>315</b>	190
Defined contribution plans expense	<b><u>19,946</u></b>	<u>18,000</u>

**5. AUDITOR'S REMUNERATION**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Fees payable for the audit of the financial statements	<b><u>5,000</u></b>	<u>5,000</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<b><u>9,041</u></b>	<u>8,640</u>

**FRANK JOHNSTON (TRACTORS) LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JANUARY 2016****6. STAFF COSTS**

The average number of persons employed by the company during the year, including the directors, amounted to:

	<b>2016</b>	2015
	<b>No.</b>	No.
Administrative staff	<b>8</b>	9
Number of service and parts staff	<b>23</b>	24
Number of sales staff	<b>7</b>	5
	<b><u>38</u></b>	<u>38</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	<b>2016</b>	2015
	<b>£</b>	£
Wages and salaries	<b>852,031</b>	857,850
Social security costs	<b>74,362</b>	75,139
Other pension costs	<b>19,946</b>	18,000
	<b><u>946,339</u></b>	<u>950,989</u>

**7. DIRECTORS' REMUNERATION**

The directors aggregate remuneration in respect of qualifying services was:

	<b>2016</b>	2015
	<b>£</b>	£
Remuneration	<b>21,631</b>	21,631
Company contributions to defined contribution pension plans	<b>18,000</b>	18,000
	<b><u>39,631</u></b>	<u>39,631</u>

The number of directors who accrued benefits under company pension plans was as follows:

	<b>2016</b>	2015
	<b>No.</b>	No.
Defined contribution plans	<b><u>2</u></b>	<u>2</u>

**8. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2016</b>	2015
	<b>£</b>	£
Interest on banks loans and overdrafts	<b>45,052</b>	44,192
Other interest payable and similar charges	<b>5,771</b>	5,771
	<b><u>50,823</u></b>	<u>49,963</u>

**9. TAX ON PROFIT ON ORDINARY ACTIVITIES****Major components of tax expense**

	<b>2016</b>	2015
	<b>£</b>	£
<b>Current tax:</b>		
UK current tax expense	<b>49,499</b>	55,777
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<b>(4,707)</b>	385
<b>Tax on profit on ordinary activities</b>	<b><u>44,792</u></b>	<u>56,162</u>



**FRANK JOHNSTON (TRACTORS) LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JANUARY 2016****9. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)****Reconciliation of tax expense**

The tax assessed on the profit on ordinary activities for the year is higher than (2015: lower than) the standard rate of corporation tax in the UK of 20.17% (2015: 21.33%).

	<b>2016</b>	2015
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<b>219,233</b>	308,211
Profit on ordinary activities by rate of tax	<b>44,212</b>	65,741
Adjustment to tax charge in respect of prior periods	<b>(203)</b>	(1,591)
Effect of expenses not deductible for tax purposes	–	8,371
Effect of capital allowances and depreciation	<b>14,387</b>	(1,488)
Unused tax losses	<b>(8,897)</b>	(15,602)
Rounding on tax charge	–	346
Deferred tax movement	<b>(4,707)</b>	385
Tax on profit on ordinary activities	<b>44,792</b>	56,162

**10. DIVIDENDS**

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	<b>2016</b>	2015
	<b>£</b>	<b>£</b>
Paid	<b>80,000</b>	80,000

**11. TANGIBLE ASSETS**

	<b>Freehold property</b>	<b>Investment and long leasehold property</b>	<b>Plant and machinery</b>	<b>Fixtures and fittings</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>						
At 1 Feb 2015	245,000	197,042	81,625	172,169	584,327	<b>1,280,163</b>
Additions	–	–	29,464	7,665	154,543	<b>191,672</b>
Disposals	–	–	–	–	(192,846)	<b>(192,846)</b>
<b>At 31 Jan 2016</b>	<b>245,000</b>	<b>197,042</b>	<b>111,089</b>	<b>179,834</b>	<b>546,024</b>	<b>1,278,989</b>
<b>Depreciation</b>						
At 1 Feb 2015	–	–	75,153	122,959	276,503	<b>474,615</b>
Charge for the year	–	–	1,771	14,704	103,730	<b>120,205</b>
Disposals	–	–	–	–	(95,275)	<b>(95,275)</b>
<b>At 31 Jan 2016</b>	<b>–</b>	<b>–</b>	<b>76,924</b>	<b>137,663</b>	<b>284,958</b>	<b>499,545</b>
<b>Carrying amount</b>						
<b>At 31 Jan 2016</b>	<b>245,000</b>	<b>197,042</b>	<b>34,165</b>	<b>42,171</b>	<b>261,066</b>	<b>779,444</b>
At 31 Jan 2015	245,000	197,042	6,472	49,210	307,824	805,548

**FRANK JOHNSTON (TRACTORS) LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JANUARY 2016****12. INVESTMENTS**

	Shares in group under- takings £
<b>Cost</b>	
At 1 Feb 2015 and 31 Jan 2016	<u><u>1,000</u></u>
<b>Impairment</b>	
At 1 Feb 2015 and 31 Jan 2016	<u><u>—</u></u>
<b>Carrying amount</b>	
At 31 January 2016	<u><u>1,000</u></u>

**Subsidiaries, associates and other investments**

	Country of incorp- oration	Class of share	Percentage of shares held
<b>Subsidiary undertakings</b>			
Johnston Tractors Limited (Period ended 31 October 2015/ Year ended 30 November 2014)	United Kingdom	Ordinary	100

The results and capital and reserves for the year are as follows:

	Capital and reserves		Profit/(loss) for the year	
	2016	2015	2016	2015
	£	£	£	£
<b>Subsidiary undertakings</b>				
Johnston Tractors Limited (Period ended 31 October 2015/ Year ended 30 November 2014)	<u>1,000</u>	<u>1,000</u>	<u>—</u>	<u>—</u>

This unlisted investment represents 100% of the ordinary shareholding in Johnston Tractors Limited, a dormant company registered in England and Wales. Under the provision of section 405 (2) of the Companies Act 2006 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

On 31 January 2016 the carrying amount of the investment was £1,000. The directors consider this to be the fair value of the investment.

**13. STOCKS**

	2016 £	2015 £
Wholegoods and parts stock	3,607,503	4,640,136
Work in progress	<u>23,600</u>	<u>20,171</u>
	<u><u>3,631,103</u></u>	<u><u>4,660,307</u></u>

**FRANK JOHNSTON (TRACTORS) LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JANUARY 2016****14. DEBTORS**

	2016	2015
	£	£
Trade debtors	916,772	853,066
Prepayments and accrued income	495,565	528,202
Director's loan account - Mr H Johnston	70,999	84,953
Other debtors	154,677	153,192
	<u>1,638,013</u>	<u>1,619,413</u>

**15. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise the following:

	2016	2015
	£	£
Cash at bank and in hand	1,670	41,058
Bank loans and overdrafts	(1,123,059)	(868,476)
	<u>(1,121,389)</u>	<u>(827,418)</u>

**16. CREDITORS: amounts falling due within one year**

	2016	2015
	£	£
Bank loans and overdrafts	1,123,059	868,476
Trade creditors	1,895,721	3,421,210
Accruals and deferred income	102,769	73,049
Corporation tax	49,499	55,777
Social security and other taxes	157,457	65,696
Director's loan account - Miss L Johnston	36,880	27,235
Other creditors	71,260	49,052
Pension creditor	1,020	-
	<u>3,437,665</u>	<u>4,560,495</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

Bank loans and overdrafts £1,123,059 (2015: £868,476)

Pension scheme loan £43,000 (2015: £43,000)

The above bank loans and overdrafts are secured by a fixed charge over book and other debts, goodwill, uncalled capital and intellectual property and a floating charge over all other assets dated 1 June 1993.

The pension scheme loan is repaid via monthly instalments and interest is applied at market rate. The pension scheme loan is secured by a standard security over Dargavel Stores, Lockerbie Road, Dumfries, a property owned by the company.

**17. CREDITORS: amounts falling due after more than one year**

	2016	2015
	£	£
Other creditors	<u>7,167</u>	<u>50,167</u>

**FRANK JOHNSTON (TRACTORS) LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JANUARY 2016**

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**17. CREDITORS: amounts falling due after more than one year (continued)**

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

Pension scheme loan £7,167 (2015: £50,167)

**18. DEFERRED TAX**

The deferred tax included in the balance sheet is as follows:

	2016 £	2015 £
Included in provisions (note 19)	<u>61,995</u>	<u>66,702</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016 £	2015 £
Accelerated capital allowances	<u>61,995</u>	<u>66,702</u>

**19. PROVISIONS**

	Deferred tax (note 18) £
At 1 February 2015	66,702
Charge against provision	<u>(4,707)</u>
At 31 January 2016	<u>61,995</u>

**20. EMPLOYEE BENEFITS****Defined contribution plans**

The amount recognised in the statement of income as an expense in relation to defined contribution plans was £19,946 (2015: £18,000).

At the year end the amount outstanding to the pension scheme was £1,020 (2015: £nil).

**21. FINANCIAL INSTRUMENTS**

The carrying amount for each category of financial instrument is as follows:

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>4,775,221</u>	<u>5,793,576</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(3,342,063)</u>	<u>(4,537,613)</u>

Financial assets measured at amortised cost through the statement of income comprise cash at bank and in hand, stock, accrued income, trade debtors and other debtors.

Financial liabilities measured at amortised cost through the statement of income comprise bank loans and overdrafts, trade creditors, corporation tax and other tax and social security, deferred income and other creditors.

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**FRANK JOHNSTON (TRACTORS) LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JANUARY 2016****22. CALLED UP SHARE CAPITAL****Issued, called up and fully paid**

	<b>2016</b>		<b>2015</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<b>5,000</b>	<b>5,000</b>	5,000	5,000
Ordinary B shares of £1 each	<b>100</b>	<b>100</b>	100	100
	<b><u>5,100</u></b>	<b><u>5,100</u></b>	<b><u>5,100</u></b>	<b><u>5,100</u></b>

**23. RESERVES**

Profit and loss account - This reserve records retained earnings and accumulated profits.

**24. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

During the year the directors entered into the following advances and credits with the company:

	<b>Advances/ (credits) to the directors</b>		<b>Amounts repaid</b>		<b>Balance outstanding</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Mr H Johnston	<b>46,046</b>	43,231	<b>(60,000)</b>	(60,000)	<b>70,999</b>	84,953
Miss L Johnston	<b>(48,400)</b>	(40,034)	<b>38,755</b>	32,600	<b>(36,880)</b>	(27,235)
	<b><u>(2,354)</u></b>	<b><u>3,197</u></b>	<b><u>(21,245)</u></b>	<b><u>(27,400)</u></b>	<b><u>34,119</u></b>	<b><u>57,718</u></b>

**25. RELATED PARTY TRANSACTIONS**

During the year the company made advances totalling £43,686 (2015: £40,025) to Mr Johnston. Repayments of £60,000 (2015: £60,000) were made and interest of £2,360 (2015: £3,206) was charged on this loan during the year. The loan is unsecured and is repayable on demand. The balance outstanding to the company from Mr Johnston was £70,999 (2015: £84,953) at the year end.

**26. TRANSITION TO FRS 102**

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 February 2014.

No transitional adjustments were required in equity or in the statement of income for the year.