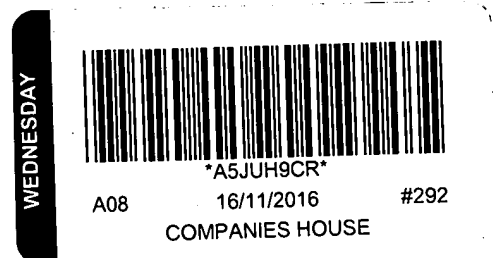


# Financial Statements Advanced Maintenance Supplies Limited

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For the Year Ended 31 May 2016



Registered number: 03644623

## Advanced Maintenance Supplies Limited

### Company Information

<b>Directors</b>	L N W Willitts B C Noakes M E Rees S Lister A Riley
<b>Company secretary</b>	A Riley
<b>Registered number</b>	03644623
<b>Registered office</b>	Shelah Road Halesowen West Midlands B63 3XL
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor The Colmore Building 20 Colmore Circus Birmingham B4 6AT
<b>Bankers</b>	Royal Bank of Scotland 79-83 Colmore Row Birmingham B3 2BA

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# Strategic Report

For the Year Ended 31 May 2016

## **Business review and principal risks and uncertainties**

The company's key performance indicators are turnover which was £9,638,430 (2015 - £6,988,023) and profit before taxation which was £1,352,061 (2015 - £420,742). The Director's are satisfied with the company's performance and expect the improved performance seen during the year to be maintained.

The success of the business is affected by economic cycles, particularly in the engineering and transport infrastructure sectors in which the company's customers operate. This risk is partially mitigated by no single customer representing a significant proportion of turnover. Pressures arising from the general economic situation together with the highly competitive market in which the company operates, results in constant pressure on margins. This risk is mitigated by the high levels of customer service provided.

## **Financial risk management objectives and policies**

The company's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

During the year the company has been exposed to credit risk and liquidity risk. The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position.

### **Credit risk**

The company's principal financial assets are cash at bank and trade debtors, which represent the most significant exposure to credit risk in relation to financial assets. Credit risk is managed by continually evaluating the creditworthiness of individual customers. Trade debtors are stated net of provision for specific doubtful debts, which are based on the circumstances of individual customers in the context of the prevailing economic climate.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The company has no significant concentration of credit risk, with exposure spread over a larger number of customers.

### **Liquidity risk**

The company has a policy of continuous assessment of its funding requirements and arranges financing with regard to its operational needs. The directors are confident that the company has adequate financial resources for the foreseeable future.

## Strategic Report (continued)

**For the Year Ended 31 May 2016**

### **Payments of creditors**

The company's policy in relation to the payment of suppliers is to seek the best possible terms from suppliers appropriate to its business and in placing orders gives consideration to quality, price and terms of payment which will be agreed with suppliers when the details of transactions are settled. The company will continue to honor its contractual obligations and pay creditors on the dates agreed in contracts and purchase orders.

This report was approved by the board on

and signed on its behalf.



**L N W Willitts**  
Director

## **Directors' Report**

**For the Year Ended 31 May 2016**

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

### **Principal activity**

The principal activity of the company in the year under review was that of the supply of engineering products.

### **Results and dividends**

The profit for the year, after taxation, amounted to £1,075,823 (2015 - £330,795).

During the year a dividend of £400,000 (2015 - £200,000) was paid.

### **Directors**

The directors who served during the year were:

L N W Willitts  
B C Noakes  
M E Rees  
S Lister  
A Riley

### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

### **Matters covered in the Strategic Report**

The business review, principal risks and uncertainties and financial risk management objectives and policies have been included in the Strategic Report

## **Directors' Report**

**For the Year Ended 31 May 2016**

### **Disclosure of information to auditor**

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

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

### **Auditors**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

and signed on its behalf.



**L N W Willitts**  
Director



## Independent Auditor's Report to the Members of Advanced Maintenance Supplies Limited

We have audited the financial statements of Advanced Maintenance Supplies Limited for the year ended 31 May 2016, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and Auditor**

As explained more fully in the 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 Financial Reporting Council'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 Financial Reporting Council'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 Company's affairs as at 31 May 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other 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.





## Independent Auditor's Report to the Members of Advanced Maintenance Supplies Limited

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

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

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

*Grant Thornton UK LLP*

Kathryn Godfree (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Birmingham

Date: *26 September 2016*

## Statement of Comprehensive Income

For the Year Ended 31 May 2016

	Note	2016 £	2015 £
Turnover	4	9,638,430	6,988,023
Cost of sales		(6,051,091)	(4,634,845)
<b>Gross profit</b>		<b>3,587,339</b>	<b>2,353,178</b>
Administrative expenses		(2,232,307)	(1,929,194)
<b>Operating profit</b>	5	<b>1,355,032</b>	<b>423,984</b>
Interest payable and expenses	8	(2,971)	(3,242)
<b>Profit before tax</b>		<b>1,352,061</b>	<b>420,742</b>
Tax on profit	9	(276,238)	(89,947)
<b>Profit for the year</b>		<b>1,075,823</b>	<b>330,795</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>1,075,823</b>	<b>330,795</b>

The notes on pages 10 to 24 form part of these financial statements.

## Statement of Financial Position

As at 31 May 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	11	155,462	208,730
<b>Current assets</b>			
Stocks	12	531,202	601,182
Debtors: amounts falling due within one year	13	2,443,383	1,890,497
Cash at bank and in hand	14	849,064	435,775
		<u>3,823,649</u>	<u>2,927,454</u>
Creditors: amounts falling due within one year	15	(1,810,683)	(1,622,428)
<b>Net current assets</b>		<u>2,012,966</u>	<u>1,305,026</u>
<b>Total assets less current liabilities</b>		<u>2,168,428</u>	<u>1,513,756</u>
Creditors: amounts falling due after more than one year	16	(6,471)	(12,982)
<b>Provisions for liabilities</b>			
Deferred tax	18	-	(14,640)
		<u>-</u>	<u>(14,640)</u>
<b>Net assets</b>		<u><u>2,161,957</u></u>	<u><u>1,486,134</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	100	100
Profit and loss account	20	2,161,857	1,486,034
		<u><u>2,161,957</u></u>	<u><u>1,486,134</u></u>

The were approved and authorised for issue by the board and were signed on its behalf on



L N W Willitts  
Director

The notes on pages 10 to 24 form part of these financial statements.

## Statement of Changes in Equity

For the Year Ended 31 May 2016

	Share capital £	Retained earnings £	Total equity £
At 1 June 2015	100	1,486,034	1,486,134
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,075,823	1,075,823
<b>Total comprehensive income for the year</b>	-	1,075,823	1,075,823
Dividends: Equity capital	-	(400,000)	(400,000)
<b>At 31 May 2016</b>	<b>100</b>	<b>2,161,857</b>	<b>2,161,957</b>

## Statement of Changes in Equity

For the Year Ended 31 May 2015

	Share capital £	Retained earnings £	Total equity £
At 1 June 2014	100	1,355,239	1,355,339
<b>Comprehensive income for the year</b>			
Profit for the year	-	330,795	330,795
<b>Total comprehensive income for the year</b>	-	330,795	330,795
Dividends: Equity capital	-	(200,000)	(200,000)
<b>At 31 May 2015</b>	<b>100</b>	<b>1,486,034</b>	<b>1,486,134</b>

The notes on pages 10 to 24 form part of these financial statements.

# Notes to the Financial Statements

For the Year Ended 31 May 2016

## 1. Accounting policies

### 1.1 Basis of preparation of financial statements

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

Information on the impact of first-time adoption of FRS 102 is given in note 26.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

### 1.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);

This information is included in the consolidated financial statements of Hayley Group Plc as at 31 May 2016 and these financial statements may be obtained from Shelah Road, Halesowen, West Midlands, B63 3XL.

### 1.3 Revenue

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

#### Sale of goods

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

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

# Notes to the Financial Statements

For the Year Ended 31 May 2016

## 1. Accounting policies (continued)

### 1.4 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

### 1.5 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

### 1.6 Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

# Notes to the Financial Statements

For the Year Ended 31 May 2016

## 1. Accounting policies (continued)

### 1.7 Tangible fixed assets

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

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Long leasehold property	- straight line over the life of the lease
Plant & machinery	- 20% reducing balance
Motor vehicles	- 20% reducing balance
Fixtures, fittings and equipment	- 20% reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

### 1.8 Stocks

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

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

### 1.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

## **Notes to the Financial Statements**

**For the Year Ended 31 May 2016**

### **1. Accounting policies (continued)**

#### **1.10 Cash and cash equivalents**

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

#### **1.11 Creditors**

Short term creditors are measured at the transaction price.

#### **1.12 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### **1.13 Dividends**

Equity dividends are recognised when they become legally payable.

#### **1.14 Pensions**

##### **Defined contribution pension plan**

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

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

#### **1.15 Holiday pay accrual**

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



# Notes to the Financial Statements

For the Year Ended 31 May 2016

## 1. Accounting policies (continued)

### 1.16 Current and deferred taxation

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

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

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

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

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

## 2. General information

Advanced Maintenance Supplies Limited is a limited liability company incorporated in England and Wales. Its registered office is located at Shelah Road, Halesowen, West Midlands, B63 3XL.

# Notes to the Financial Statements

For the Year Ended 31 May 2016

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

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. The items in the financial statements where these judgements and estimates have been made include:

### Trade debtors

Trade debtors consist of amounts due from customers. An allowance for doubtful debts is maintained for estimated losses resulting from the inability of the company's customers to make required payments. The allowance is based on the company's regular assessment of the credit worthiness and financial conditions of customers

### Stock

Certain factors could affect the realisable value of the company's stocks, including customer demand and market conditions. The company considers usage, anticipated sales price, effect of new product introductions, product obsolescence and other factors when evaluating the value.

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

## 4. Analysis of turnover

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

	2016 £	2015 £
Engineering products	<u>9,638,430</u>	<u>6,988,023</u>

All turnover arose within the United Kingdom.

## 5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	60,630	30,605
Fees payable to the Company's auditor and its associates for the audit of the company's annual financial statements	9,000	6,450
Exchange differences	3,966	(5,114)
Operating lease rentals: land and buildings	47,040	54,396
Operating lease rentals: other	<u>39,928</u>	<u>48,813</u>

# Notes to the Financial Statements

For the Year Ended 31 May 2016

## 6. Employees

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

	2016 £	2015 £
Wages and salaries	1,172,519	934,191
Social security costs	134,202	144,855
Cost of defined contribution scheme	92,536	69,848
	<u>1,399,257</u>	<u>1,148,894</u>

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

	2016 No.	2015 No.
Employees not including directors	31	27
Directors	5	5
	<u>36</u>	<u>32</u>

## 7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	258,143	221,250
Company contributions to defined contribution pension schemes	30,000	30,870
	<u>288,143</u>	<u>252,120</u>

During the year retirement benefits were accruing to 2 directors (2015 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £116k (2015 - £91k).

## 8. Interest payable and similar charges

	2016 £	2015 £
Finance leases and hire purchase contracts	<u>2,971</u>	<u>3,242</u>

# Notes to the Financial Statements

For the Year Ended 31 May 2016

## 9. Taxation

	2016 £	2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	280,363	72,825
Adjustments in respect of previous periods	12,141	(83)
<b>Total current tax</b>	<u>292,504</u>	<u>72,742</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(4,348)	17,205
Changes to tax rates	(302)	-
Adjustment to prior period	(11,616)	-
<b>Total deferred tax</b>	<u>(16,266)</u>	<u>17,205</u>
<b>Taxation on profit on ordinary activities</b>	<u>276,238</u>	<u>89,947</u>

### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.85%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>1,352,061</u>	<u>420,742</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.83%)	270,412	87,597
<b>Effects of:</b>		
Fixed asset differences	1,910	129
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6,580	3,285
Adjustment to closing deferred tax to average rate of 20%	(302)	-
Other timing differences	(2,887)	(981)
Adjustments to tax charge in respect of prior periods	525	(83)
<b>Total tax charge for the year</b>	<u>276,238</u>	<u>89,947</u>

# Notes to the Financial Statements

For the Year Ended 31 May 2016

## 10. Dividends

	2016 £	2015 £
Dividends paid on equity capital	<u>400,000</u>	<u>200,000</u>

## 11. Tangible fixed assets

	Long leasehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 June 2015	6,932	1,895	179,857	175,007	363,691
Additions	-	-	18,220	18,599	36,819
Disposals	-	-	-	(61,324)	(61,324)
At 31 May 2016	<u>6,932</u>	<u>1,895</u>	<u>198,077</u>	<u>132,282</u>	<u>339,186</u>
<b>Depreciation</b>					
At 1 June 2015	6,932	505	95,512	52,012	154,961
Charge owned for the period	-	279	30,174	30,177	60,630
Disposals	-	-	-	(31,867)	(31,867)
At 31 May 2016	<u>6,932</u>	<u>784</u>	<u>125,686</u>	<u>50,322</u>	<u>183,724</u>
<b>Net book value</b>					
At 31 May 2016	<u>-</u>	<u>1,111</u>	<u>72,391</u>	<u>81,960</u>	<u>155,462</u>
At 31 May 2015	<u>-</u>	<u>1,390</u>	<u>84,345</u>	<u>122,995</u>	<u>208,730</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Motor vehicles	<u>55,761</u>	<u>71,936</u>

The depreciation charged in the year in respect of assets held under finance lease and hire purchase contracts amounted to £19,567 (2015 - £17,478).

# Notes to the Financial Statements

For the Year Ended 31 May 2016

## 12. Stocks

	2016 £	2015 £
Finished goods and goods for resale	531,202	601,182

## 13. Debtors

	2016 £	2015 £
Trade debtors	2,404,308	1,849,174
Other debtors	14,572	14,786
Prepayments and accrued income	22,877	26,537
Deferred taxation	1,626	-
	<u>2,443,383</u>	<u>1,890,497</u>

## 14. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	849,064	435,775

## 15. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	897,742	970,279
Amounts owed to group undertakings	376,954	412,628
Corporation tax	160,363	12,784
Taxation and social security	293,359	128,288
Obligations under finance lease and hire purchase contracts	16,364	21,897
Accruals and deferred income	65,901	76,552
	<u>1,810,683</u>	<u>1,622,428</u>

Obligations under finance leases are secured against the related asset.

# Notes to the Financial Statements

For the Year Ended 31 May 2016

## 16. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Net obligations under finance leases and hire purchase contracts	6,471	12,982
	<u>6,471</u>	<u>12,982</u>

Obligations under finance leases are secured against the related asset.

## 17. Financial instruments

	2016 £	2015 £
<b>Financial assets</b>		
Cash and cash equivalents	849,064	435,775
Financial assets that are debt instruments measured at amortised cost	2,418,880	1,863,960
	<u>3,267,944</u>	<u>2,299,735</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(1,340,597)</u>	<u>(1,459,459)</u>

Financial assets measured at amortised cost comprise of cash and cash equivalents, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings and accruals.

# Notes to the Financial Statements

For the Year Ended 31 May 2016

## 18. Deferred taxation

	Deferred tax £
At 1 June 2015	(14,640)
Charged to the profit or loss	16,266
<b>At 31 May 2016</b>	<b>1,626</b>

The deferred taxation balance is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	1,165	(15,192)
Fixed asset timing difference	461	552
	<b>1,626</b>	<b>(14,640)</b>

## 19. Share capital

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

Share capital represents the nominal value of shares that have been issued. There are no restrictions on the one class of share capital.

## 20. Reserves

### Profit & loss account

Profit and loss account includes all current and prior period retained profits and losses

## 21. Contingent liabilities

The Royal Bank of Scotland hold an unlimited multi-party guarantee, dated 10 February 2010, executed by Hayley Group plc, Hayley Holdings Limited, Bearing Man Limited and Advanced Maintenance Supplies Limited over borrowings of £5,866,660 (2015 - £8,601,997).



# Notes to the Financial Statements

For the Year Ended 31 May 2016

## 22. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £92,536 (2015 - £69,848). Contributions totalling £2,760 (2015 - £2,760) were payable to the fund at the balance sheet date

## 23. Commitments under operating leases

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

	2016 £	2015 £
<b>Land and buildings</b>		
Not later than 1 year	36,047	47,040
Later than 1 year and not later than 5 years	34,669	27,694
<b>Total</b>	<b>70,716</b>	<b>74,734</b>
	2016 £	2015 £
<b>Other</b>		
Not later than 1 year	53,923	39,928
Later than 1 year and not later than 5 years	57,360	48,881
<b>Total</b>	<b>111,283</b>	<b>88,809</b>

# Notes to the Financial Statements

For the Year Ended 31 May 2016

## 24. Related party transactions

During the year, the company entered into the following transactions with related parties

	Sales 2016 £	Purchases 2016 £	2015 £	2015 £
Hayley Group plc	-	1,196,522	2,332	1,066,500
24/7 Engineering Services Limited	-	-	-	19,992
	-	1,196,522	2,332	1,086,492

Group undertakings:

	2016 £	2015 £
Hayley Group plc	(373,186)	(408,230)
Bearing Man Limited	(3,768)	(4,398)
	(376,954)	(412,628)

Dividends were paid to the directors of Advanced Maintenance Supplies Limited during the year, S Lister £65,334 (2015: £32,667), A Riley £45,333 (2015: £32,666) and M E Rees £65,333 (2015: £32,667). Dividends of £204,000 (2015: £102,000) were paid to Hayley Group plc.

Advanced Maintenance Supplies Limited is related to Hayley Group plc and Bearing Man Limited by virtue of common ownership as all of the companies fall within the group headed by Hayley Group plc.

Advanced Maintenance Supplies Limited is related to 24/7 Engineering Services Limited by virtue of common ownership, Messers L N W Willitts and B C Noakes are directors of these companies.

## 25. Controlling party

The ultimate parent undertaking is Hayley Group plc, a company registered in England and Wales. Copies of the consolidated financial statements can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

The ultimate controlling parties are L N W Willitts and B C Noakes, the directors and shareholders of Hayley Group plc.

# Notes to the Financial Statements

For the Year Ended 31 May 2016

## 26. Transition to FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 June 2014. The impact of the transition to FRS 102 is as follows:

### Reconciliation of equity at 1 June 2014

	Note	£
Equity at 1 June 2014 under previous UK GAAP		1,361,594
Holiday pay accrual		(6,255)
<b>Equity shareholders funds at 1 June 2014 under FRS 102</b>		<b>1,355,339</b>

### Reconciliation of equity at 31 May 2015

	Note	£
Equity at 31 May 2015 under previous UK GAAP		1,493,430
Holiday pay accrual		(7,296)
<b>Equity shareholders funds at 31 May 2015 under FRS 102</b>		<b>1,486,134</b>

### Reconciliation of profit and loss account for the year ended 31 May 2015

	£
Profit for the year under UK GAAP	331,836
Holiday pay accrual	(1,041)
<b>Profit for the year ended 31 May 2015 under FRS 102</b>	<b>330,795</b>

The following were changes in accounting policies arising from the transition to FRS 102:

- 1 Section 28 Employee benefits of FRS 102 states the accounting requirement for short-term employee benefits that are expected to be settled wholly before 12 months after the year end including accrued annual leave.

**Advanced Maintenance Supplies Limited**