

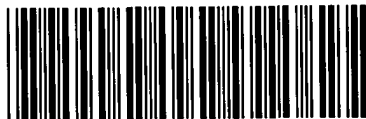
David Harrison Limited

Strategic report, Directors' report and consolidated financial statements

For the Year Ended 30 April 2016

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David Harrison Limited

Company Information

Directors	Ms E A Harrison R B Harrison D J Macfarlane Ms C M Thomson
Company secretary	E A Harrison
Registered number	SC031753
Registered office	Harrisons Crossburn Garage 85-89 Edinburgh Road Peebles Scotland EH45 8ED
Independent auditors	ASE Audit LLP Chartered Accountants & Statutory Auditors Rowan Court Concord Business Park Manchester Greater Manchester M22 0RR

David Harrison Limited

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David Harrison Limited

Group strategic report For the Year Ended 30 April 2016

Introduction

The directors present their strategic report for the year ended 30 April 2016.

Business review

Given the continuing economic pressures we feel satisfied that our performance this year was satisfactory.

Our commitment to providing a high value customer experience remains key to our success and we continue to invest in our people to ensure this continues.

Principal risks and uncertainties

The management of the business and the nature of the group's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business.

Manufacturers supply of new and improved products

The group is reliant on new vehicle products from its manufacturer partners. This exposes the company to risks in a number of areas as the group is dependent on its manufacturer/supplier in respect of:

- availability of new vehicle products
- quality of new vehicle products
- pricing of new vehicle products

The directors are confident that future new products from its manufacturers/suppliers will continue to be competitively priced and high quality and therefore consider that this "manufacturer risk" is minimal. It is, in any case, mitigated by the other core business areas of the group, including used vehicle sales, parts sales and service work.

Economic downturn

The success of the business is reliant on consumer spending. An economic downturn, resulting in a reduction of consumer spending power, will have a direct impact on the income achieved by the group.

In response to this risk, senior management aim to keep abreast of economic conditions. In cases of severe economic downturn, marketing and pricing strategies are modified to reflect the new market conditions.

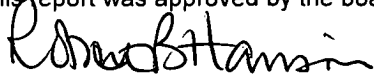
Financial key performance indicators

The Directors monitor the progress of the Group by monthly checking of turnover, vehicle margins, and operating profits.

We analyse daily our labour and parts sales, as well as our new and used vehicle unit sales to ensure we reach our targets.

Fuel and shop sales are also reviewed monthly along with insurance repairs through our Accident Repair Centre.

This report was approved by the board and signed on its behalf.



R B Harrison
Director

Date: 26th Jan 2017

David Harrison Limited

Directors' report For the Year Ended 30 April 2016

The directors present their report and the financial statements for the year ended 30 April 2016.

Principal activity

The principal activity of the group in the year under review was that of the operation of motor dealerships involving the sale, maintenance and repair of motor vehicles and the supply of related accessories.

Directors

The directors who served during the year were:

Ms E A Harrison
R B Harrison
D J Macfarlane
Ms C M Thomson

Results and dividends

The profit for the year, after taxation, amounted to £203,282 (2015: £257,193).

A dividend of £135,543 (2015: £96,069) was paid during to period.

Future developments

On 01 May 2016 the trade and certain assets of David Harrison Limited were transferred to the subsidiary company Blue Route (Scotland) Limited.

Financial instruments

The group uses various financial instruments which include bank, financial institution and stocking loans, cash and various items, such as consignment stock, trade debtors and trade creditors that arise directly from operations. The main purpose of these financial instruments is to raise finance for the company's operations. Their existence exposes the group to a number of financial risks.

The main risks arising from the group's financial instruments are interest rate risk, liquidity risk and credit risk. The directors review and agree policies for managing each of these risks which are summarised below. These policies have remained unchanged from previous years.

Interest rate risk

The group finances its operations through a mixture of bank and other external borrowings. The group's exposure to interest rate fluctuations on its borrowings is managed by the use of fixed and floating facilities. The balance sheet includes trade debtors and creditors which do not attract interest and are therefore subject to fair value interest rate risk.

The group policy throughout the year has been to achieve its objective of managing interest rate risk through day to day involvement of management in business decisions rather than through setting maximum or minimum levels for the level of fixed interest rate borrowings.

Liquidity risk

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

The group's policy throughout the year has been to achieve this objective through the day to day involvement of management in business decisions rather than through setting maximum or minimum liquidity ratios.

David Harrison Limited

Directors' report For the Year Ended 30 April 2016

Credit risk

The group's principal financial assets are cash and trade debtors. The credit risk associated with cash is minimal. The principal credit risk therefore arises from its trade debtors.

In order to manage credit risk, the directors set credit limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Directors' responsibilities statement

The directors are responsible for preparing the Group 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group 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 Group 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 the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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 and the Group's auditors are 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 and the Group's auditors are aware of that information.

David Harrison Limited

Directors' report
For the Year Ended 30 April 2016

Auditors

The auditors, ASE Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



R B Harrison
Director

Date:

26th Jan 2017

Independent auditors' report to the shareholders of David Harrison Limited

We have audited the financial statements of David Harrison Limited for the year ended 30 April 2016, set out on pages 7 to 45. 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 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 Auditors' 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 30 April 2016 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

Independent auditors' report to the shareholders of David Harrison Limited

Matters on which we are required to report by exception

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

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

ASE Audit LLP

Ian McMahon FCCA FMAAT (Senior Statutory Auditor)

for and on behalf of

ASE Audit LLP

Chartered Accountants

Statutory Auditors

Rowan Court

Concord Business Park

Manchester

Greater Manchester

M22 0RR

Date:

30/1/2017

David Harrison Limited

Consolidated statement of comprehensive income
For the Year Ended 30 April 2016

	Note	2016 £	2015 £
Turnover	4	18,750,166	18,510,859
Cost of sales		(17,533,157)	(17,254,349)
Gross profit		1,217,009	1,256,510
Administrative expenses		(1,009,160)	(987,849)
Other operating income	5	84,983	92,055
Operating profit	6	292,832	360,716
Interest receivable and similar income	10	-	32
Interest payable and expenses	11	(29,030)	(10,219)
Profit before taxation		263,802	350,529
Tax on profit	12	(60,520)	(93,336)
Profit for the year		203,282	257,193
Unrealised surplus on revaluation of tangible fixed assets		4,272	19,015
Other comprehensive income for the year		4,272	19,015
Total comprehensive income for the year		207,554	276,208
Profit for the year attributable to:			
Owners of the parent Company		203,282	257,193
		203,282	257,193
Total comprehensive income for the year attributable to:			
Owners of the parent Company		207,554	276,208
		207,554	276,208

David Harrison Limited
Registered number: SC031753

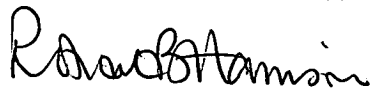
Consolidated statement of financial position
As at 30 April 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	15		3,495,726		3,435,518
Investments	16		26,724		13,000
Investment property	17		95,000		231,056
			<u>3,617,450</u>		<u>3,679,574</u>
Current assets					
Stocks	18	982,983		1,108,598	
Debtors: amounts falling due within one year	19	755,267		570,174	
Cash at bank and in hand	20	110,561		119,637	
		<u>1,848,811</u>		<u>1,798,409</u>	
Creditors: amounts falling due within one year	21	(1,145,284)		(1,194,737)	
Net current assets			<u>703,527</u>		<u>603,672</u>
Total assets less current liabilities			<u>4,320,977</u>		<u>4,283,246</u>
Creditors: amounts falling due after more than one year	22		(568,966)		(591,155)
Provisions for liabilities					
Deferred taxation	26	(101,411)		(113,753)	
			<u>(101,411)</u>		<u>(113,753)</u>
Net assets			<u>3,650,600</u>		<u>3,578,338</u>
Capital and reserves					
Called up share capital	27		17,100		17,100
Revaluation reserve	28		1,242,774		1,254,346
Capital redemption reserve	28		56,243		56,243
Investment property reserve	28		(300,000)		(300,000)
Profit and loss account	28		2,634,232		2,550,649
Equity attributable to owners of the parent Company			<u>3,650,349</u>		<u>3,578,338</u>
Non-controlling interests			251		-
			<u>3,650,600</u>		<u>3,578,338</u>

David Harrison Limited
Registered number: SC031753

Consolidated statement of financial position (continued)
As at 30 April 2016

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



R B Harrison
Director

Date:



The notes on pages 18 to 45 form part of these financial statements.

David Harrison Limited
Registered number: SC031753

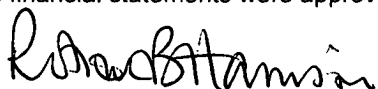
Company statement of financial position
As at 30 April 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	15	2,595,726	2,535,518
Investments	16	27,574	13,100
Investment property	17	95,000	231,056
		<u>2,718,300</u>	<u>2,779,674</u>
Current assets			
Stocks	18	982,982	1,108,597
Debtors: amounts falling due within one year	19	1,051,267	866,176
Cash at bank and in hand	20	100,240	109,913
		<u>2,134,489</u>	<u>2,084,686</u>
Creditors: amounts falling due within one year	21	(1,236,202)	(1,288,195)
Net current assets		<u>898,287</u>	<u>796,491</u>
Total assets less current liabilities		<u>3,616,587</u>	<u>3,576,165</u>
Creditors: amounts falling due after more than one year	22	-	(8,580)
Provisions for liabilities			
Deferred taxation	26	(101,070)	(103,241)
		<u>(101,070)</u>	<u>(103,241)</u>
Net assets		<u>3,515,517</u>	<u>3,464,344</u>
Capital and reserves			
Called up share capital	27	17,100	17,100
Revaluation reserve	28	1,242,774	1,254,346
Capital redemption reserve	28	56,243	56,243
Profit and loss account	28	2,199,400	2,136,655
		<u>3,515,517</u>	<u>3,464,344</u>

David Harrison Limited
Registered number: SC031753

Company statement of financial position (continued)
As at 30 April 2016

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



R B Harrison
Director

Date: 26 Jan 2017

The notes on pages 18 to 45 form part of these financial statements.

David Harrison Limited
Consolidated statement of changes in equity
For the Year Ended 30 April 2016

	Called up share capital	Capital redemption reserve	Revaluation reserve	Investment property revaluation reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£	£
At 1 May 2015	17,100	56,243	1,254,346	(300,000)	2,550,649	3,578,338	-	3,578,338
Comprehensive income for the year								
Profit for the year	-	-	-	-	203,282	203,282	-	203,282
Surplus on revaluation of heritable property	-	-	4,272	-	-	4,272	-	4,272
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	-	-	-	-	15,844	15,844	-	15,844
Other comprehensive income for the year	-	-	4,272	-	15,844	20,116	-	20,116
Total comprehensive income for the year	-	-	4,272	-	219,126	223,398	-	223,398
Dividends: Equity capital	-	-	-	-	(135,543)	(135,543)	-	(135,543)
Transfer to/from profit and loss account	-	-	(15,844)	-	-	(15,844)	-	(15,844)
Non controlling interest	-	-	-	-	-	-	251	251
Total transactions with owners	-	-	(15,844)	-	(135,543)	(151,387)	251	(151,136)
At 30 April 2016	17,100	56,243	1,242,774	(300,000)	2,634,232	3,650,349	251	3,650,600

David Harrison Limited
Consolidated statement of changes in equity
For the Year Ended 30 April 2015

	Called up share capital £	Capital redemption reserve £	Revaluation reserve £	Investment property revaluation reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 May 2014	17,100	56,243	1,251,175	(300,000)	2,373,681	3,398,199	3,398,199
Comprehensive income for the year							
Profit for the year	-	-	-	-	257,193	257,193	257,193
Surplus on revaluation of heritable property	-	-	19,015	-	-	19,015	19,015
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	-	-	-	-	15,844	15,844	15,844
Other comprehensive income for the year	-	-	19,015	-	15,844	34,859	34,859
Total comprehensive income for the year	-	-	19,015	-	273,037	292,052	292,052
Dividends: Equity capital	-	-	-	-	(96,069)	(96,069)	(96,069)
Transfer to/from profit and loss account	-	-	(15,844)	-	-	(15,844)	(15,844)
Total transactions with owners	-	-	(15,844)	-	(96,069)	(111,913)	(111,913)
At 30 April 2015	17,100	56,243	1,254,346	(300,000)	2,550,649	3,578,338	3,578,338

The notes on pages 18 to 45 form part of these financial statements.

David Harrison Limited

Company statement of changes in equity
For the Year Ended 30 April 2016

	Share capital £	Capital redemption reserve £	Revaluation reserve £	Retained earnings £	Total equity £
At 1 May 2015	17,100	56,243	1,254,346	2,136,655	3,464,344
Comprehensive income for the year					
Profit for the year	-	-	-	182,444	182,444
Surplus on revaluation of heritable property	-	-	4,272	-	4,272
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	-	-	-	15,844	15,844
Other comprehensive income for the year	-	-	4,272	15,844	20,116
Total comprehensive income for the year	-	-	4,272	198,288	202,560
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(135,543)	(135,543)
Transfer to/from profit and loss account	-	-	(15,844)	-	(15,844)
Total transactions with owners	-	-	(15,844)	(135,543)	(151,387)
At 30 April 2016	17,100	56,243	1,242,774	2,199,400	3,515,517

David Harrison Limited

Company statement of changes in equity
For the Year Ended 30 April 2015

	Share capital £	Capital redemption reserve £	Revaluation reserve £	Retained earnings £	Total equity £
At 1 May 2014	17,100	56,243	1,251,175	1,999,568	3,324,086
Comprehensive income for the year					
Profit for the year	-	-	-	217,312	217,312
Surplus on revaluation of heritable property	-	-	19,015	-	19,015
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	-	-	-	15,844	15,844
Other comprehensive income for the year	-	-	19,015	15,844	34,859
Total comprehensive income for the year	-	-	19,015	233,156	252,171
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(96,069)	(96,069)
Transfer to/from profit and loss account	-	-	(15,844)	-	(15,844)
Total transactions with owners	-	-	(15,844)	(96,069)	(111,913)
At 30 April 2015	17,100	56,243	1,254,346	2,136,655	3,464,344

The notes on pages 18 to 45 form part of these financial statements.

David Harrison Limited

Consolidated statement of cash flows
For the Year Ended 30 April 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	203,282	257,193
Adjustments for:		
Depreciation of tangible assets	82,662	73,933
Loss on disposal of tangible assets	771	1,360
Profit on disposal of investment property	(8,944)	-
Interest paid	29,030	10,219
Interest received	-	(32)
Taxation	60,520	93,336
Increase in stocks	125,616	7,583
Increase in debtors	(185,091)	14,380
Increase in creditors	(161,614)	102,275
Corporation tax	(65,217)	(76,009)
Net cash generated from operating activities	81,015	484,238
Cash flows from investing activities		
Purchase of tangible fixed assets	(143,641)	(104,416)
Sale of tangible fixed assets	-	3,500
Purchase of investment properties	-	(136,056)
Sale of investment properties	145,000	-
Purchase of unlisted and other investments	(13,724)	(13,000)
Interest received	-	32
HP interest paid	(4,641)	(5,108)
Net cash from investing activities	(17,006)	(255,048)
Cash flows from financing activities		
Repayment of loans	-	(48,582)
Repayment of other loans	(32,266)	(33,640)
Repayment of/new finance leases	(31,295)	(115,608)
Dividends paid	(135,543)	(96,069)
Interest paid	(5,335)	(5,111)
Capital introduced by non controlling interests	251	-
Net cash used in financing activities	(204,188)	(299,010)
Net increase / (decrease) in cash and cash equivalents	(140,179)	(69,820)

David Harrison Limited

Consolidated statement of cash flows (continued)
For the Year Ended 30 April 2016

	2016 £	2015 £
Cash and cash equivalents at beginning of year	103,262	173,082
Cash and cash equivalents at the end of year	<u>(36,917)</u>	<u>103,262</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	110,561	119,637
Bank overdrafts	<u>(147,478)</u>	<u>(16,375)</u>
	<u>(36,917)</u>	<u>103,262</u>

The notes on pages 18 to 45 form part of these financial statements.

David Harrison Limited

Notes to the financial statements For the Year Ended 30 April 2016

1. General information

David Harrison Limited is a private company limited by shares and is incorporated and domiciled in Scotland.

The address of the company's registered office and its principal place of business is Harrisons Crossburn Garage, 85-89 Edinburgh Road, Peebles, Scotland, EH45 8ED.

The company's principal activity is disclosed in the Directors report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of heritable property 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 33.

The Group's functional and presentation currency in these financial statements is sterling.

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Notes to the financial statements
For the Year Ended 30 April 2016

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

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

Commissions receivable

Revenue from commissions receivable is recognised when the amount can be reliably measured and it is probable that the Group will receive the consideration.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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 Group 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 Group. 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.

**Notes to the financial statements
For the Year Ended 30 April 2016**

2. Accounting policies (continued)

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

Depreciation is provided on the following basis:

Heritable property	- Between 2% and 10% straight line
Plant and machinery	- 10% reducing balance
Motor vehicles	- Between 10% and 33% straight line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

2.5 Revaluation of tangible fixed assets

Individual heritable properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.6 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.

2.7 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Income statement.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell, after making due allowance for obsolete and slow moving stock.

At each reporting date, inventories are assessed for impairment. If inventory 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.

**Notes to the financial statements
For the Year Ended 30 April 2016**

2. Accounting policies (continued)

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.12 Financial instruments

The Group 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the financial statements
For the Year Ended 30 April 2016

2. Accounting policies (continued)

2.14 Finance costs

Finance costs are charged to the Income statement 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.

2.15 Hire purchase and finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability is included in obligations under finance leases and hire purchase contracts.

Lease payments are apportioned between finance charges and reduction to the finance lease itself, using the effective method so as to achieve a constant rate of interest. Finance charges are deducted in the profit or loss.

Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual meeting.

2.17 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Group in independently administered funds.

2.18 Interest income

Interest income is recognised in the Income statement using the effective interest method.

2.19 Borrowing costs

All borrowing costs are recognised in the Income statement in the year in which they are incurred.

Notes to the financial statements
For the Year Ended 30 April 2016

2. Accounting policies (continued)

2.20 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 charge 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and

Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

Deferred tax assets and liabilities are not discounted.

**Notes to the financial statements
For the Year Ended 30 April 2016**

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

The preparation of the financial statements requires management to make judgment, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

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

Stock valuation

Stock valuation is regularly monitored against age profile and market demand. Management use a number of market tools during the appraisal process including Glass' and CAP valuation guides. The directors maintain oversight of ageing stock profiles and a monthly review of any provision required is performed.

Property, plant and equipment assets

Property, plant and equipment are reviewed for impairment if events or circumstances indicate that the carrying value may not be recoverable. When an impairment review is carried out the recoverable value is determined based on value in use calculations which require estimates to be made of future cash flows.

Incentives and other rebates from brand partners

The Group receives income in the form of various incentives which are determined by brand partners. The amount received is generally based on achieving specific objectives such as a specified sales volume, as well as other objectives including maintaining brand partner standards which may include, but are not limited to, retail centre image and design requirements, customer satisfaction survey results and training standards. Objectives are generally set and measured on either a quarterly or annual basis.

Where incentives are based on a specific sales volume or number of registrations, the related income is recognised as a reduction in cost of sales when it is reasonably certain that the income has been earned. This is generally the later of the date the related vehicles are sold or registered or when it is reasonably certain that the related target will be met. Where incentives are linked to retail centre image and design requirements, customer satisfaction survey results or training standards, they are recognised as a reduction in cost of sales when it is reasonably certain that the incentive will be received for the relevant period.

The Group may also receive contributions towards advertising, promotional and rent expenditure. Where such contributions are received they are recognised as a reduction in the related expenditure in the period to which they relate.

David Harrison Limited

Notes to the financial statements
For the Year Ended 30 April 2016

4. Analysis of turnover

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

	2016 £	2015 £
Sale of goods	18,266,059	18,129,875
Rendering of services	482,749	377,661
Commissions receivable	1,359	3,323
	<u>18,750,167</u>	<u>18,510,859</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2016 £	2015 £
Net rents receivable	13,679	13,279
Sundry income	71,304	78,776
	<u>84,983</u>	<u>92,055</u>

6. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	82,662	73,933
Defined contribution pension cost	15,226	13,151
	<u>97,888</u>	<u>87,084</u>

7. Auditors' remuneration

	2016 £	2015 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	11,864	10,156
Fees payable for taxation services	2,966	4,039
	<u>14,830</u>	<u>14,195</u>

David Harrison Limited

Notes to the financial statements
For the Year Ended 30 April 2016

8. Employees

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

	2016 £	2015 £
Wages and salaries	1,268,190	1,191,894
Social security costs	111,942	104,684
Cost of defined contribution scheme	15,226	13,151
	<u>1,395,358</u>	<u>1,309,729</u>

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

	2016 No.	2015 No.
Sales, administration, distribution	<u>65</u>	<u>64</u>

9. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	<u>168,050</u>	<u>169,464</u>

During the year retirement benefits were accruing to 3 directors (2015 - 1) in respect of defined contribution pension schemes.

10. Interest receivable

	2016 £	2015 £
Other interest receivable	-	32
	<u>-</u>	<u>32</u>

11. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	-	480
Other loan interest payable	24,389	4,631
Finance leases and hire purchase contracts	4,641	5,108
	<u>29,030</u>	<u>10,219</u>

David Harrison Limited

Notes to the financial statements
For the Year Ended 30 April 2016

12. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	79,869	62,992
Adjustments in respect of previous periods	(11,279)	19,183
Total current tax	68,590	82,175
Deferred tax		
Origination and reversal of timing differences	(8,070)	11,161
Total deferred tax	(8,070)	11,161
Taxation on profit on ordinary activities	60,520	93,336

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 - 20.918%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	263,802	350,528
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.918%)	65,739	73,323
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,479	1,403
Capital allowances for year in excess of depreciation	(1,569)	(10,159)
Adjustments to tax charge in respect of prior periods	(11,279)	19,183
Chargable gains	1,707	-
Charges paid	(604)	-
Adjustment for variances in tax rate	-	(460)
Balance sheet adjustments	2,139	-
Marginal relief	-	(1,116)
Deferred tax	2,908	11,162
Total tax charge for the year	60,520	93,336

David Harrison Limited

Notes to the financial statements
For the Year Ended 30 April 2016

12. Taxation (continued)

Factors that may affect future tax charges

A reduction in the corporation tax rate from 20% to 19% from 1 April 2019 and to 18% from 1 April 2020 was substantively enacted on 18 November 2015. Future tax liabilities will reduce accordingly and deferred tax has been provided at 18% in these financial statements.

13. Dividends

	2016 £	2015 £
Dividends paid on ordinary shares	135,543	96,069
	<u>135,543</u>	<u>96,069</u>

14. Parent Company Profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £182,444 (2015: £217,313).

David Harrison Limited

Notes to the financial statements
For the Year Ended 30 April 2016

15. Tangible fixed assets

Group

	Heritable property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 May 2015	2,984,801	1,422,942	51,453	4,459,196
Additions	74,997	68,644	-	143,641
Disposals	-	(1,450)	-	(1,450)
At 30 April 2016	3,059,798	1,490,136	51,453	4,601,387
Depreciation				
At 1 May 2015	21,380	981,621	20,677	1,023,678
Charge owned for the period	22,516	49,757	10,389	82,662
Disposals	-	(679)	-	(679)
At 30 April 2016	43,896	1,030,699	31,066	1,105,661
Net book value				
At 30 April 2016	3,015,902	459,437	20,387	3,495,726
At 30 April 2015	2,963,421	441,321	30,776	3,435,518

Land to the value of £1,005,000 (2015: £1,005,000) is not depreciated.

Assets with a carrying value of £3,495,726 (2015: £3,435,518) are pledged as security for the group's overdraft.

Included within motor vehicles are assets held under hire purchase agreements with a total net book value of £Nil (2015: £16,972).

David Harrison Limited

Notes to the financial statements
For the Year Ended 30 April 2016

15. Tangible fixed assets (continued)

Company

	Heritable property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 May 2015	2,084,801	1,422,942	51,453	3,559,196
Additions	74,997	68,644	-	143,641
Disposals	-	(1,450)	-	(1,450)
At 30 April 2016	<u>2,159,798</u>	<u>1,490,136</u>	<u>51,453</u>	<u>3,701,387</u>
Depreciation				
At 1 May 2015	21,380	981,621	20,677	1,023,678
Charge owned for the period	22,516	49,757	10,389	82,662
Disposals	-	(679)	-	(679)
At 30 April 2016	<u>43,896</u>	<u>1,030,699</u>	<u>31,066</u>	<u>1,105,661</u>
At 30 April 2016	<u>2,115,902</u>	<u>459,437</u>	<u>20,387</u>	<u>2,595,726</u>
At 30 April 2015	<u>2,063,421</u>	<u>441,321</u>	<u>30,776</u>	<u>2,535,518</u>

Land to the value of £1,005,000 (2015: £1,005,000) is not depreciated.

Assets with a carrying value of £2,595,726 (2015: £2,535,518) are pledged as security for the company's overdraft.

Included within motor vehicles are assets held under hire purchase agreements with a total net book value of £Nil (2015: £16,972).

David Harrison Limited

Notes to the financial statements
For the Year Ended 30 April 2016

16. Fixed asset investments

Group

	Other fixed asset investments £
Cost or valuation	
At 1 May 2015	13,000
Additions	13,724
At 30 April 2016	26,724
At 30 April 2016	-
Net book value	
At 30 April 2016	26,724
At 30 April 2015	13,000

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
David Harrison Property Limited	Scotland	Ordinary	100 %	Dormant
DH Peebles Limited	Scotland	Ordinary	100 %	Property investment
Blue Route (Scotland) Limited	Scotland	Ordinary	75 %	Non-trading

The aggregate of the share capital and reserves as at 30 April 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
David Harrison Property Limited	1	-
DH Peebles Limited	(120,303)	39,898
Blue Route (Scotland) Limited	1,000	-
	(119,302)	39,898

David Harrison Limited

Notes to the financial statements
For the Year Ended 30 April 2016

16. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 May 2015	100	13,000	13,100
Additions	750	13,724	14,474
At 30 April 2016	850	26,724	27,574
At 30 April 2016	-	-	-
Net book value			
At 30 April 2016	850	26,724	27,574
At 30 April 2015	100	13,000	13,100

David Harrison Limited

Notes to the financial statements
For the Year Ended 30 April 2016

17. Investment property

Group

	Freehold investment property £
Valuation	
At 1 May 2015	231,056
Disposals	(136,056)
At 30 April 2016	95,000

The 2016 valuations were made by Cullen Kilshaw, Solicitors & Estate Agents, on an open market value for existing use basis.

Company

	Freehold investment property £
Valuation	
At 1 May 2015	231,056
Disposals	(136,056)
At 30 April 2016	95,000

The 2016 valuations were made by Cullen Kilshaw, Solicitors & Estate Agents, on an open market value for existing use basis.

David Harrison Limited

Notes to the financial statements
For the Year Ended 30 April 2016

18. Stocks

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Vehicle stock	787,074	887,868	787,074	887,868
Work in progress	18,720	33,696	18,720	33,696
Parts stock	177,189	187,034	177,188	187,033
	<u>982,983</u>	<u>1,108,598</u>	<u>982,982</u>	<u>1,108,597</u>

Stock recognised in cost of sales during the year as an expense was £16,345,439 (2015: £16,110,067).

An impairment loss movement of £31,231 (2015: £23,744 was reversed) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

All stock is pledged as security for the vehicle funding and loans.

19. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	683,409	500,126	683,410	500,128
Amounts owed by group undertakings	-	-	296,000	296,000
Other debtors	71,560	68,750	71,559	68,750
Prepayments and accrued income	298	1,298	298	1,298
	<u>755,267</u>	<u>570,174</u>	<u>1,051,267</u>	<u>866,176</u>

An impairment loss movement of £2,485 (2015: £2,400) was recognised against trade debtors.

20. Cash and cash equivalents

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	110,561	119,637	100,240	109,913
Less: bank overdrafts	(147,478)	(16,375)	(147,478)	(16,375)
	<u>(36,917)</u>	<u>103,262</u>	<u>(47,238)</u>	<u>93,538</u>

David Harrison Limited

Notes to the financial statements
For the Year Ended 30 April 2016

21. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank overdrafts	147,478	16,375	147,478	16,375
Other loans	13,609	13,212	-	-
Trade creditors	631,315	849,927	631,314	849,929
Amounts owed to group undertakings	-	-	151,218	142,197
Corporation tax	79,870	76,496	59,725	67,512
Taxation and social security	78,579	42,854	68,579	32,854
Obligations under finance lease and hire purchase contracts	-	22,715	-	22,715
Other creditors	16,545	16,545	-	-
Accruals and deferred income	177,888	156,613	177,888	156,613
	<u>1,145,284</u>	<u>1,194,737</u>	<u>1,236,202</u>	<u>1,288,195</u>

The bank overdraft and loan are secured by a bond and a floating charge over the assets of the Group and by standard securities held over heritable property.

The hire purchase creditor is secured against the assets and stock to which it relates.

The vehicle funding is included within trade creditors and is secured over the vehicles to which it relates.

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

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Other loans	568,966	582,575	-	-
Net obligations under finance leases and hire purchase contracts	-	8,580	-	8,580
	<u>568,966</u>	<u>591,155</u>	<u>-</u>	<u>8,580</u>

David Harrison Limited

Notes to the financial statements
For the Year Ended 30 April 2016

23. Loans

Analysis of the maturity of loans is given below:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Amounts falling due within one year				
Other loans	13,609	13,212	-	-
Amounts falling due 1-2 years				
Other loans	14,017	13,609	-	-
Amounts falling due 2-5 years				
Other loans	44,625	43,325	-	-
Amounts falling due after more than 5 years				
Other loans	510,324	525,641	-	-

24. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Within one year	-	22,715	-	22,715
Between 1-2 years	-	8,580	-	8,580
	-	31,295	-	31,295

**Notes to the financial statements
For the Year Ended 30 April 2016**

25. Financial instruments

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	754,971	568,879	1,050,970	864,879
	754,971	568,879	1,050,970	864,879
Financial liabilities				
Financial liabilities measured at amortised cost	(1,555,802)	(1,635,251)	(930,013)	(1,031,216)
	(1,555,802)	(1,635,251)	(930,013)	(1,031,216)

Financial assets measured at amortised cost comprise of trade debtors, other debtors and amounts owed to the Group Company.

Financial Liabilities measured at amortised cost comprise trade creditors, bank loans, other loans, amounts owed to subsidiaries and accruals where a cash settlement will take place.

26. Deferred taxation**Group**

	2016 £	2015 £
At beginning of year	113,753	121,607
Charged to the profit or loss	(12,342)	(7,854)
At end of year	101,411	113,753

David Harrison Limited

Notes to the financial statements
For the Year Ended 30 April 2016

26. Deferred taxation (continued)

Company

	2016 £	2015 £
At beginning of year	103,241	112,080
Charged to the profit or loss	(2,171)	(8,839)
At end of year	101,070	103,241

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Accelerated capital allowances	87,640	82,611	76,320	72,099
Short term timing differences	(8,430)	(6,310)	(8,430)	(6,310)
Deferred tax on revaluation reserve	22,201	37,452	33,180	37,452
	101,411	113,753	101,070	103,241

27. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
17,100 Ordinary Shares shares of £1 each	17,100	17,100

28. Reserves

Revaluation reserve

This reserve is used to record increases in the fair value of investment properties and decreases to the extent that such decreases relates to an increase in the value of the same asset.

Capital redemption reserve

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

Investment property revaluation reserve

This reserve is used to record increases in the fair value of investment properties and decreases to the extent that such decreases relates to an increase in the value of the same asset.

Profit and loss account

This reserve includes all current and prior period retained profit and losses.

David Harrison Limited

**Notes to the financial statements
For the Year Ended 30 April 2016**

29. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £15,226 (2015: £13,151). Contributions totalling £Nil (2015: £Nil) were payable to the fund at the balance sheet date.

30. Commitments under operating leases

At 30 April 2016 the Group and the Company had future minimum lease income under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Other operating leases				
Not later than 1 year	5,020	5,020	5,020	5,020
Later than 1 year and not later than 5 years	13,386	18,405	13,386	18,405
Total	18,406	23,425	18,406	23,425

David Harrison Limited

Notes to the financial statements
For the Year Ended 30 April 2016

31. Directors' advances, credits and guarantees

Directors loans are interest free and repayable on demand. All transactions were deemed by the board to be conducted on an arms length basis.

The following directors loans subsisted during the year ended 30 April 2016:

	Balance outstanding at start of year £	Amounts withdrawn £	Amounts introduced £	Balance outstanding at end of year £
Group				
C M Thomson	(3,000)	-	3,000	-
Total	<u>(3,000)</u>	<u>-</u>	<u>3,000</u>	<u>-</u>

	Balance outstanding at start of year £	Amounts withdrawn £	Amounts introduced £	Balance outstanding at end of year £
Company				
C M Thomson	(3,000)	-	3,000	-
Total	<u>(3,000)</u>	<u>-</u>	<u>3,000</u>	<u>-</u>

David Harrison Limited

**Notes to the financial statements
For the Year Ended 30 April 2016**

32. Related party transactions

The Group has taken advantage of exemption, under the terms of FRS 102 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year the company provided goods and services amounting to £29,100 (2015: £Nil) to R B Harrison, a director.

During the year the company provided goods and services amounting to £24,624 (2015: £24,500) to C M Thomson, a director.

During the year the company provided goods and services amounting to £28,392 (2015: £30,900) to E A Harrison, a director.

During the year the company provided goods and services of £Nil (2015: £4,161) to Clive Christian Scotland Limited, a company of which the brother of R B Harrison is a director.

The company provided goods and services of £Nil (2015: £865) to G Harrison, the wife of R B Harrison's brother. The company was owed £Nil (2015: £515) at the year-end.

Included in other loans is a balance of £582,414 (2015: £595,631) due to Sapphire Link Limited, a company in which the sister of R B Harrison has an interest.

Dividends paid to directors during the year amounted to £135,543 (2015: £96,069).

33. Controlling party

In the directors opinion, the company's ultimate controlling party is R B Harrison by virtue of his majority shareholding.

David Harrison Limited

Notes to the financial statements For the Year Ended 30 April 2016

34. First time adoption of FRS 102

Group

		As previously stated 1 May 2014 £	Effect of transition 1 May 2014 £	FRS 102 (as restated) 1 May 2014 £	As previously stated 30 April 2015 £	Effect of transition 30 April 2015 £	FRS 102 (as restated) 30 April 2015 £
Fixed assets		3,504,895	-	3,504,895	3,679,574	-	3,679,574
Current assets		1,873,827	-	1,873,827	1,798,411	-	1,798,411
Creditors: amounts falling due within one year	2	(1,253,482)	20,522	(1,232,960)	(1,213,727)	18,986	(1,194,741)
Net current assets	2	620,345	20,522	640,867	584,684	18,986	603,670
Total assets less current liabilities	2	4,125,240	20,522	4,145,762	4,264,258	18,986	4,283,244
Creditors: amounts falling due after more than one year	2	(941,381)	335,094	(606,287)	(908,118)	316,963	(591,155)
Provisions for liabilities	1	(65,140)	(56,467)	(121,607)	(76,301)	(37,452)	(113,753)
Net assets	1,2	3,118,719	299,149	3,417,868	3,279,839	298,497	3,578,336
Capital and reserves	1,2	3,118,719	299,149	3,417,868	3,279,842	298,494	3,578,336

David Harrison Limited

Notes to the financial statements
For the Year Ended 30 April 2016

34. First time adoption of FRS 102 (continued)

	As previously stated 30 April 2015 £	Effect of transition 30 April 2015 £	FRS 102 (as restated) 30 April 2015 £
Turnover	18,510,859	-	18,510,859
Cost of sales	(17,254,349)	-	(17,254,349)
	1,256,510	-	1,256,510
Administrative expenses	(987,849)	-	(987,849)
Other operating income	92,054	-	92,054
Operating profit	360,715	-	360,715
Interest receivable and similar income	32	-	32
Interest payable and similar charges	(10,219)	-	(10,219)
Taxation	(93,336)	-	(93,336)
Profit on ordinary activities after taxation and for the financial year	257,192	-	257,192

Explanation of changes to previously reported profit and equity:

- 1 Under previous UK GAAP the Group was not required to provide for taxation on revaluations. Under FRS 102 deferred taxation is provided on the temporary difference arising from the revaluation. Accordingly, a deferred charge arose on the revaluation of freehold properties in the parent company and was recognised through the profit and loss in the year ending 30 April 2016. Deferred tax of £56,467 has been accounted for on transition to FRS 102 and £37,452 has been recognised in the year ended 30 April 2015.
- 2 Under previous UK GAAP the Group was able to have a loan which was interest free. Under FRS 102 the loan needs to be measured at the present value of future cash flows, discounted at a market rate of interest. Accordingly, the loan has been reviewed and a market rate of interest of 3% has been used for the purpose of discounting. The measurement difference of £355,094 that arose on transition to FRS 102 has been accounted for as a capital contribution. Consequently the unwinding of the discount gave rise to an interest expense of £20,522 and £18,986 on transition and for the year ended 30 April 2015 respectively.

David Harrison Limited

Notes to the financial statements For the Year Ended 30 April 2016

34. First time adoption of FRS 102 (continued)

Company

		As previously stated 1 May 2014 £	Effect of transition 1 May 2014 £	FRS 102 (as restated) 1 May 2014 £	As previously stated 30 April 2015 £	Effect of transition 30 April 2015 £	FRS 102 (as restated) 30 April 2015 £
Note							
Fixed assets		2,604,995	-	2,604,995	2,779,674	-	2,779,674
Current assets		2,159,970	-	2,159,970	2,084,687	-	2,084,687
Creditors: amounts falling due within one year		(1,319,449)	-	(1,319,449)	(1,288,196)	-	(1,288,196)
Net current assets		840,521	-	840,521	796,491	-	796,491
Total assets less current liabilities		3,445,516	-	3,445,516	3,576,165	-	3,576,165
Creditors: amounts falling due after more than one year		(9,350)	-	(9,350)	(8,580)	-	(8,580)
Provisions for liabilities	1	(55,613)	(56,467)	(112,080)	(65,789)	(37,452)	(103,241)
Net assets	1	3,380,553	(56,467)	3,324,086	3,501,796	(37,452)	3,464,344
Capital and reserves	1	3,380,553	(56,467)	3,324,086	3,501,796	(37,452)	3,464,344

David Harrison Limited

Notes to the financial statements
For the Year Ended 30 April 2016

34. First time adoption of FRS 102 (continued)

	As previously stated 30 April 2015 £	Effect of transition 30 April 2015 £	FRS 102 (as restated) 30 April 2015 £
Turnover	18,510,859	-	18,510,859
Cost of sales	(17,254,349)	-	(17,254,349)
	1,256,510	-	1,256,510
Administrative expenses	(1,037,697)	-	(1,037,697)
Other operating income	92,054	-	92,054
Operating profit	310,867	-	310,867
Interest receivable and similar income	32	-	32
Interest payable and similar charges	(10,219)	-	(10,219)
Taxation	(83,367)	-	(83,367)
Profit on ordinary activities after taxation and for the financial year	217,313	-	217,313

Explanation of changes to previously reported profit and equity:

- Under previous UK GAAP the Company was not required to provide for taxation on revaluations. Under FRS 102 deferred taxation is provided on the temporary difference arising from the revaluation. Accordingly, a deferred charge arose on the revaluation of freehold properties and was recognised through the profit and loss in the year ending 30 April 2016. Deferred tax of £56,467 has been accounted for on transition to FRS 102 and £37,452 has been recognised in the year ended 30 April 2015.