

REGISTERED NUMBER: SC155832 (Scotland)

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017
FOR
A B 2000 LIMITED GROUP**

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A B 2000 LIMITED GROUP (REGISTERED NUMBER: SC155832)

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FOR THE YEAR ENDED 31 JANUARY 2017**

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A B 2000 LIMITED GROUP

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 JANUARY 2017**

DIRECTORS:

Adam Bruce
Cameron Barr
James Houstoun
William Marsh
Ian Steven

SECRETARY:

Ian Steven

REGISTERED OFFICE:

95 Westburn Drive
Cambuslang
Glasgow
G72 7NA

REGISTERED NUMBER:

SC155832 (Scotland)

AUDITORS:

William Duncan (UK) Limited
Chartered Accountants
Statutory Auditor
4d Auchingramont Road
Hamilton
ML3 6JT

BANKERS:

Bank of Scotland
258/262 Dumbarton Road
Glasgow
G11 6TU

SOLICITORS:

Morton Fraser
145 St. Vincent Street
Glasgow
G2 5JF

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 JANUARY 2017**

The directors present their strategic report of the company and the group for the year ended 31 January 2017.

REVIEW OF BUSINESS

The principal activities of the group in the year under review were plant and crane hire and the hire of test weights, fenders and gangways.

Results and performance

The results for the year and the financial position of the group are as shown in the annexed financial statements. As a Scottish based plant and crane hire business the group continues to provide the construction and railway industries with a wide range of plant and equipment. The group has over 440 items of equipment for hire and its activities are organised into the following divisions:-

Construction plant hire

Railway plant hire

Crane hire, including contract lifting and supplying test weights

Concrete pumps

Business environment

The group has depots in Cambuslang, Nairn and Aberdeen and currently employs around 300 operatives and staff.

Key performance indicators

The key financial performance indicators, steady growth of turnover; profitability; and a satisfactory return on capital employed were achieved during the year and confirm the sound financial performance and strength of the group.

The consolidated turnover of the group for the year was £29,520,970 (2016 : £25,580,569) an increase of 15.40% on the previous year.

Consolidated profit before taxation for the year was £3,553,085 (12.04%) compared to £3,718,769 last year. Gain on sale of plant and equipment in the year was £518,683 compared to £741,695 last year.

Return on capital employed was 16.18%.

The market for plant hire and plant operators in Scotland remains competitive. Despite strong competition in the plant hire industry, the gross profit margin earned for the year was 41.18%.

Turnover, trading margins and profitability for the financial year are all considered satisfactory and the group is in a sound financial position.

Investment in the group's plant and equipment during the year continued with the addition of concrete pumps and replacement of cranes and construction equipment. The group expects to maintain turnover as a result of this investment.

The group will continue to invest in additional plant and the replacement of existing plant as required.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 JANUARY 2017**

PRINCIPAL RISKS AND UNCERTAINTIES

Outlined below are the principal risks and uncertainties that could impact the group's performance and our mitigating activities.

Trading environment

Impact on sales, margins, costs, profit and cash of:

Economic conditions
Competitor activity
Main contractor controls
The group's own credit risk profile

Mitigating activities include close involvement of management and technical staff in the job costing process together with strict monitoring of turnover and control over costs compared to budgets.

Other activities to minimise risk include credit searches for all new customers and the use of pro forma invoices where there is any uncertainty over a customer's ability to pay.

Business strategy

Inappropriate direction

Mitigating activities include monthly reviews of performance of individual group companies against each other and against strategic and financial targets.

Management and staff

Reliance on key personnel
Availability of adequately qualified staff
Retention and recruitment of adequately qualified staff

Mitigating activities include succession planning, commitment to open communication with staff and monitoring employee satisfaction. Internal and external training is also available for all staff.

The group has also invested in improving its management of health and safety, environmental controls and quality controls, which is reflected in year on year improvement in the scores achieved for our Achilles UVDB and RISQ - (Link up) audits.

ON BEHALF OF THE BOARD:

x


Adam Bruce - Director

14 June 2017

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JANUARY 2017**

The directors present their report with the financial statements of the company and the group for the year ended 31 January 2017.

DIVIDENDS

An interim dividend of £2 per share was declared during the year. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 January 2017 will be £500,000.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 February 2016 to the date of this report.

Adam Bruce
Cameron Barr
James Houstoun
William Marsh
Ian Steven

EMPLOYMENT

As part of the group structure, procedures exist for employee communication, consultation, training and personal development. The group tries to ensure that, so far as possible, employee views are taken into account when decisions are made that are likely to affect their interests. Regular meetings are used to brief senior employees on the financial performance of the group and to keep them abreast of news on customers, business units and capital projects.

The group operates an equal opportunities employment policy and is opposed to all forms of discrimination. Our selection processes are non-discriminatory and always seek to give full and fair consideration to those with disabilities for all vacancies, taking into account their aptitudes and skills. In the event of employees becoming disabled, every effort is made to ensure their employment with the group continues and appropriate training arranged. So far as possible the group ensures that the training, career development and promotion of any disabled person is identical to that of a colleague who does not suffer from such a disability.

The group's policy as regards health and safety is to comply with all relevant legislation to ensure, as far as is reasonably practicable, the health, safety and welfare at work of all its employees.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JANUARY 2017**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, William Duncan (UK) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

x


Adam Bruce - Director

14 June 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF A B 2000 LIMITED GROUP

We have audited the financial statements of A B 2000 Limited Group for the year ended 31 January 2017 on pages eight to thirty. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on pages four and five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 January 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
A B 2000 LIMITED GROUP**

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.

Andrew Steel (Senior Statutory Auditor)
for and on behalf of William Duncan (UK) Limited
Chartered Accountants
Statutory Auditor
4d Auchingramont Road
Hamilton
ML3 6JT

Andrew Steel FRC
William Duncan (UK) Ltd.

14 June 2017

A B 2000 LIMITED GROUP (REGISTERED NUMBER: SC155832)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2017**

	Notes	31.1.17 £	31.1.16 £
TURNOVER	4	29,520,970	25,580,569
Cost of sales		17,361,745	14,864,844
GROSS PROFIT		12,159,225	10,715,725
Administrative expenses		8,161,256	6,644,718
		3,997,969	4,071,007
Other operating income		88,244	8,835
OPERATING PROFIT	6	4,086,213	4,079,842
Interest receivable and similar income		2,492	191
		4,088,705	4,080,033
Interest payable and similar expenses	7	535,620	361,264
PROFIT BEFORE TAXATION		3,553,085	3,718,769
Tax on profit	8	623,996	756,145
PROFIT FOR THE FINANCIAL YEAR		2,929,089	2,962,624
OTHER COMPREHENSIVE INCOME/(LOSS)			
Bonus share issue		-	(249,900)
Revaluation of plant and machinery		339,846	-
Deferred tax on revaluation		(64,571)	-
Income tax relating to components of other comprehensive income/(loss)		-	-
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX		275,275	(249,900)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,204,364	2,712,724
Profit attributable to: Owners of the parent		2,929,089	2,962,624
Total comprehensive income attributable to: Owners of the parent		3,204,364	2,712,724

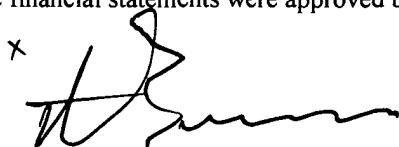
The notes form part of these financial statements

A B 2000 LIMITED GROUP (REGISTERED NUMBER: SC155832)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 JANUARY 2017

	Notes	31.1.17 £	31.1.16 £
FIXED ASSETS			
Intangible assets	11	194,784	81,458
Tangible assets	12	30,430,089	25,167,522
Investments	13	-	-
		<u>30,624,873</u>	<u>25,248,980</u>
CURRENT ASSETS			
Stocks	14	53,219	24,327
Debtors	15	6,604,814	6,294,570
Cash at bank and in hand		86,449	498,787
		<u>6,744,482</u>	<u>6,817,684</u>
CREDITORS			
Amounts falling due within one year	16	12,116,357	10,304,563
NET CURRENT LIABILITIES		<u>(5,371,875)</u>	<u>(3,486,879)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>25,252,998</u>	<u>21,762,101</u>
CREDITORS			
Amounts falling due after more than one year	17	(10,186,570)	(9,469,252)
PROVISIONS FOR LIABILITIES	21	<u>(1,427,597)</u>	<u>(1,358,382)</u>
NET ASSETS		<u><u>13,638,831</u></u>	<u><u>10,934,467</u></u>
CAPITAL AND RESERVES			
Called up share capital	22	250,000	250,000
Revaluation reserve	23	275,275	-
Retained earnings	23	13,113,556	10,684,467
SHAREHOLDERS' FUNDS		<u><u>13,638,831</u></u>	<u><u>10,934,467</u></u>

The financial statements were approved by the Board of Directors on 14 June 2017 and were signed on its behalf by:

x 

Adam Bruce - Director

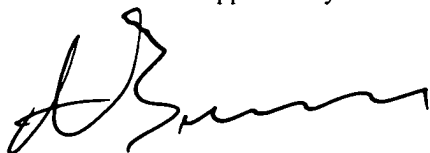
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A B 2000 LIMITED GROUP (REGISTERED NUMBER: SC155832)

**COMPANY STATEMENT OF FINANCIAL POSITION
31 JANUARY 2017**

	Notes	31.1.17 £	£	31.1.16 £	£
FIXED ASSETS					
Intangible assets	11		-		-
Tangible assets	12		28,636,695		23,958,691
Investments	13		911,130		688,670
			<u>29,547,825</u>		<u>24,647,361</u>
CURRENT ASSETS					
Stocks	14	50,776		11,114	
Debtors	15	6,193,224		5,907,123	
Cash at bank and in hand		9,680		334,735	
		<u>6,253,680</u>		<u>6,252,972</u>	
CREDITORS					
Amounts falling due within one year	16	11,540,072		9,840,009	
NET CURRENT LIABILITIES			<u>(5,286,392)</u>		<u>(3,587,037)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>24,261,433</u>		<u>21,060,324</u>
CREDITORS					
Amounts falling due after more than one year	17		(9,968,573)		(9,121,201)
PROVISIONS FOR LIABILITIES	21		<u>(1,210,181)</u>		<u>(1,271,791)</u>
NET ASSETS			<u><u>13,082,679</u></u>		<u><u>10,667,332</u></u>
CAPITAL AND RESERVES					
Called up share capital	22	250,000		250,000	
Retained earnings	23	12,832,679		10,417,332	
SHAREHOLDERS' FUNDS			<u><u>13,082,679</u></u>		<u><u>10,667,332</u></u>
Company's profit for the financial year			<u><u>2,915,347</u></u>		<u><u>2,949,762</u></u>

The financial statements were approved by the Board of Directors on 14 June 2017 and were signed on its behalf by:



Adam Bruce - Director

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2017**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 February 2015	100	8,971,743	-	8,971,843
Changes in equity				
Issue of share capital	249,900	-	-	249,900
Dividends	-	(1,000,000)	-	(1,000,000)
Total comprehensive income	-	2,712,724	-	2,712,724
Balance at 31 January 2016	250,000	10,684,467	-	10,934,467
Changes in equity				
Dividends	-	(500,000)	-	(500,000)
Total comprehensive income	-	2,929,089	275,275	3,204,364
Balance at 31 January 2017	250,000	13,113,556	275,275	13,638,831

The notes form part of these financial statements

A B 2000 LIMITED GROUP (REGISTERED NUMBER: SC155832)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 February 2015	100	8,717,470	8,717,570
Changes in equity			
Issue of share capital	249,900	-	249,900
Dividends	-	(1,000,000)	(1,000,000)
Total comprehensive income	-	2,699,862	2,699,862
Balance at 31 January 2016	250,000	10,417,332	10,667,332
Changes in equity			
Dividends	-	(500,000)	(500,000)
Total comprehensive income	-	2,915,347	2,915,347
Balance at 31 January 2017	250,000	12,832,679	13,082,679

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2017**

	Notes	31.1.17 £	31.1.16 £
Cash flows from operating activities			
Cash generated from operations	1	9,086,612	7,866,523
Interest paid		(10,769)	(17,610)
Interest element of hire purchase payments paid		(524,851)	(343,654)
Tax paid		(661,240)	(377,035)
Net cash from operating activities		<u>7,889,752</u>	<u>7,128,224</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(147,908)	-
Purchase of tangible fixed assets		(11,898,492)	(7,936,430)
Sale of tangible fixed assets		1,725,516	2,835,801
Interest received		2,492	191
Net cash from investing activities		<u>(10,318,392)</u>	<u>(5,100,438)</u>
Cash flows from financing activities			
Capital repayments in year		2,172,545	781,707
Amount introduced by director		-	195,801
Amount withdrawn by director		(92,334)	-
Equity dividends paid		(500,000)	(1,000,000)
Net cash from financing activities		<u>1,580,211</u>	<u>(22,492)</u>
(Decrease)/increase in cash and cash equivalents		<u>(848,429)</u>	<u>2,005,294</u>
Cash and cash equivalents at beginning of year	2	498,787	(1,506,507)
Cash and cash equivalents at end of year	2	<u><u>(349,642)</u></u>	<u><u>498,787</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2017**

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

	31.1.17	31.1.16
	£	£
Profit before taxation	3,553,085	3,718,769
Depreciation charges	5,803,520	4,747,832
Profit on disposal of fixed assets	(518,683)	(741,695)
Finance costs	535,620	361,264
Finance income	(2,492)	(191)
	<u>9,371,050</u>	<u>8,085,979</u>
(Increase)/decrease in stocks	(28,892)	11,441
Increase in trade and other debtors	(310,244)	(1,366,598)
Increase in trade and other creditors	54,698	1,135,701
	<u>9,086,612</u>	<u>7,866,523</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 January 2017

	31.1.17	1.2.16
	£	£
Cash and cash equivalents	86,449	498,787
Bank overdrafts	(436,091)	-
	<u>(349,642)</u>	<u>498,787</u>

Year ended 31 January 2016

	31.1.16	1.2.15
	£	£
Cash and cash equivalents	498,787	1,759
Bank overdrafts	-	(1,508,266)
	<u>498,787</u>	<u>(1,506,507)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2017**

1. STATUTORY INFORMATION

A B 2000 Limited Group is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Going concern

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

Basis of consolidation

The group financial statements consolidate the financial statements of A B 2000 Limited and all its subsidiary undertakings drawn up to 31 January each year.

Investments in subsidiaries and associates

The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

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

Business combinations

Acquisitions of subsidiaries are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2017**

3. ACCOUNTING POLICIES - continued

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

(i) Depreciation

Depreciation of fixed assets has been based on estimated useful lives and residual values deemed appropriate by the directors. Estimated useful lives and residual values are reviewed annually and revised as appropriate.

(ii) Bad debts

Bad debt provisions are provided at rates deemed appropriate by the directors. Specific allowances are provided for when it is known to the directors that the debtor is not recoverable in part or in full.

General allowances are provided based on the directors' cumulative knowledge and experience of the industry, where it is deemed probable a portion of the debtors balance will become unrecoverable.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added tax. Turnover includes revenue earned from the rendering of services, namely plant and crane hire and the hire of test weights, fenders and gangways.

Rendering of services

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

Goodwill

Goodwill, being amounts related to the acquisition of businesses in 2013 and 2016, is being amortised evenly over its estimated useful life of twenty years and five years respectively.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- Straight line over the lease term
Plant and machinery	- 15-50% on reducing balance or cost, 15% on cost and 2% on cost
Fixtures and fittings	- 25% on cost, 15% on cost and 20-25% on reducing balance
Motor vehicles	- 25% on reducing balance

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income statement. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised immediately in the income statement.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2017**

3. ACCOUNTING POLICIES - continued

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Financial instruments

Basic financial instruments are recognised as follows:

(i) 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.

(ii) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand.

Cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in liabilities on the statement of financial position.

(iii) Creditors

Short term trade 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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2017**

3. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the statement of financial position. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the income statement over the relevant period using the effective interest rate method. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate.

Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the income statement in the period it arises.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

4. TURNOVER

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

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

	31.1.17 £	31.1.16 £
Rendering of services	29,520,970	25,580,569
	<u>29,520,970</u>	<u>25,580,569</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2017**

5. EMPLOYEES AND DIRECTORS

	31.1.17 £	31.1.16 £
Wages and salaries	11,984,638	9,819,691
Social security costs	1,157,884	938,566
Other pension costs	110,839	96,633
	<u>13,253,361</u>	<u>10,854,890</u>

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

	31.1.17	31.1.16
Direct	270	221
Administration and management	36	36
	<u>306</u>	<u>257</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 306.

	31.1.17 £	31.1.16 £
Directors' remuneration	<u>360,881</u>	<u>313,952</u>

Information regarding the highest paid director is as follows:

	31.1.17 £	31.1.16 £
Emoluments etc	<u>113,619</u>	<u>81,000</u>

6. OPERATING PROFIT

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

	31.1.17 £	31.1.16 £
Other operating leases	161,930	162,076
Depreciation - owned assets	1,181,324	931,828
Depreciation - assets on hire purchase contracts	4,587,614	3,811,005
Profit on disposal of fixed assets	(518,683)	(741,695)
Goodwill amortisation	34,582	5,000
Auditors' remuneration	22,894	19,005
Foreign exchange differences	<u>(88,244)</u>	<u>(8,835)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2017**

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.1.17	31.1.16
	£	£
Bank interest	10,769	17,610
Hire purchase interest	524,851	343,654
	<u>535,620</u>	<u>361,264</u>

8. TAXATION

Analysis of the tax charge

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

	31.1.17	31.1.16
	£	£
Current tax:		
UK corporation tax	722,241	660,599
Over-provision in prior years	(2,816)	-
Total current tax	<u>719,425</u>	<u>660,599</u>
Deferred tax	(95,429)	95,546
Tax on profit	<u>623,996</u>	<u>756,145</u>

UK corporation tax was charged at 20% in 2016.

Reconciliation of total tax charge included in profit and loss

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

	31.1.17	31.1.16
	£	£
Profit before tax	<u>3,553,085</u>	<u>3,718,769</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	710,617	743,754
Effects of:		
Expenses not deductible for tax purposes	33,455	10,617
Income not taxable for tax purposes	(23,000)	-
Capital allowances in excess of depreciation	-	(99,126)
Depreciation in excess of capital allowances	23,392	-
Utilisation of tax losses	(341)	341
Adjustments to tax charge in respect of previous periods	(2,816)	-
Effect of change of tax rate	-	5,052
Marginal relief	-	(39)
Deferred tax movement	(95,429)	95,546
Pre acquisition losses	(21,882)	-
Total tax charge	<u>623,996</u>	<u>756,145</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2017

8. TAXATION - continued

Tax effects relating to effects of other comprehensive income

		31.1.17	
	Gross £	Tax £	Net £
Bonus share issue			
Revaluation of plant and machinery	339,846	-	339,846
Deferred tax on revaluation	(64,571)	-	(64,571)
	<u>275,275</u>	<u>-</u>	<u>275,275</u>
	Gross £	31.1.16 Tax £	Net £
Bonus share issue	(249,900)	-	(249,900)
	<u>(249,900)</u>	<u>-</u>	<u>(249,900)</u>

9. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

10. DIVIDENDS

	31.1.17 £	31.1.16 £
Ordinary shares of £1 each		
Interim	<u>500,000</u>	<u>1,000,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2017

11. INTANGIBLE FIXED ASSETS**Group**

	Goodwill £
COST	
At 1 February 2016	100,000
Additions	147,908
At 31 January 2017	247,908
AMORTISATION	
At 1 February 2016	18,542
Amortisation for year	34,582
At 31 January 2017	53,124
NET BOOK VALUE	
At 31 January 2017	194,784
At 31 January 2016	81,458

12. TANGIBLE FIXED ASSETS**Group**

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 February 2016	-	40,739,741	55,112	78,939	40,873,792
Additions	43,599	11,837,418	-	17,475	11,898,492
Disposals	-	(4,201,673)	-	(14,245)	(4,215,918)
Revaluations	-	313,728	-	-	313,728
Reversal of impairments	-	-	-	5,708	5,708
At 31 January 2017	43,599	48,689,214	55,112	87,877	48,875,802
DEPRECIATION					
At 1 February 2016	-	15,630,559	49,347	26,364	15,706,270
Charge for year	2,935	5,747,698	1,787	16,518	5,768,938
Eliminated on disposal	-	(2,998,820)	-	(7,104)	(3,005,924)
Revaluation adjustments	-	(26,118)	-	-	(26,118)
Reversal of impairments	-	-	-	2,547	2,547
At 31 January 2017	2,935	18,353,319	51,134	38,325	18,445,713
NET BOOK VALUE					
At 31 January 2017	40,664	30,335,895	3,978	49,552	30,430,089
At 31 January 2016	-	25,109,182	5,765	52,575	25,167,522

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2017

12. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 31 January 2017 is represented by:

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2017	-	313,728	-	-	313,728
Cost	43,599	48,375,486	55,112	87,877	48,562,074
	<u>43,599</u>	<u>48,689,214</u>	<u>55,112</u>	<u>87,877</u>	<u>48,875,802</u>

If plant and machinery had not been revalued they would have been included at the following historical cost:

	31.1.17 £	31.1.16 £
Cost	48,375,486	40,873,792
Aggregate depreciation	<u>18,379,437</u>	<u>15,706,270</u>

Test weights and cradles were valued on replacement cost basis on 31 January 2017 by NDT (Aberdeen) Ltd.

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

	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 February 2016	27,555,550	52,224	27,607,774
Additions	10,746,148	17,475	10,763,623
Disposals	(704,672)	(11,698)	(716,370)
Transfer to ownership	(4,082,313)	(16,850)	(4,099,163)
At 31 January 2017	<u>33,514,713</u>	<u>41,151</u>	<u>33,555,864</u>
DEPRECIATION			
At 1 February 2016	6,663,827	24,668	6,688,495
Charge for year	4,577,546	10,068	4,587,614
Eliminated on disposal	(214,972)	(6,937)	(221,909)
Transfer to ownership	(2,311,125)	(8,261)	(2,319,386)
At 31 January 2017	<u>8,715,276</u>	<u>19,538</u>	<u>8,734,814</u>
NET BOOK VALUE			
At 31 January 2017	<u>24,799,437</u>	<u>21,613</u>	<u>24,821,050</u>
At 31 January 2016	<u>20,891,723</u>	<u>27,556</u>	<u>20,919,279</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2017

12. TANGIBLE FIXED ASSETS - continued

Company

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 February 2016	-	39,494,808	60,449	39,555,257
Additions	43,599	11,375,352	-	11,418,951
Disposals	-	(4,170,173)	-	(4,170,173)
At 31 January 2017	43,599	46,699,987	60,449	46,804,035
DEPRECIATION				
At 1 February 2016	-	15,536,117	60,449	15,596,566
Charge for year	2,935	5,552,134	-	5,555,069
Eliminated on disposal	-	(2,984,295)	-	(2,984,295)
At 31 January 2017	2,935	18,103,956	60,449	18,167,340
NET BOOK VALUE				
At 31 January 2017	40,664	28,596,031	-	28,636,695
At 31 January 2016	-	23,958,691	-	23,958,691

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

	Plant and machinery £
COST	
At 1 February 2016	26,555,333
Additions	10,434,103
Disposals	(704,672)
Transfer to ownership	(4,065,813)
At 31 January 2017	32,218,951
DEPRECIATION	
At 1 February 2016	6,447,005
Charge for year	4,454,861
Eliminated on disposal	(214,972)
Transfer to ownership	(2,303,700)
At 31 January 2017	8,383,194
NET BOOK VALUE	
At 31 January 2017	23,835,757
At 31 January 2016	20,108,328

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2017

13. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 February 2016	688,670
Additions	222,460
At 31 January 2017	911,130
NET BOOK VALUE	
At 31 January 2017	911,130
At 31 January 2016	688,670

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Phoenix Weights Limited

Registered office: 95 Westburn Drive, Cambuslang, Glasgow, G72 7NA

Nature of business: Equipment hire

	% holding	31.1.17 £	31.1.16 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		756,929	536,476
Profit for the year		45,178	170,212

Ellon Plant Hire Limited

Registered office: 95 Westburn Drive, Cambuslang, Glasgow, G72 7NA

Nature of business: Plant hire

	% holding	31.1.17 £	31.1.16 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		504,480	447,849
Profit/(loss) for the year		56,631	(20,907)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2017**

13. FIXED ASSET INVESTMENTS - continued

P & H Plant Limited

Registered office: 95 Westburn Drive, Cambuslang, Glasgow, G72 7NA

Nature of business: Plant hire

	%	
Class of shares:	holding	
Ordinary £1 shares	100.00	
"A" Ordinary 5p shares	100.00	
		31.1.17
		£
Aggregate capital and reserves		109,666
Loss for the period/year		<u>(130,299)</u>

A B 2000 Limited purchased the entire share capital of P & H Plant Limited on 19 August 2016. The above results are for the eleven month period ended 31 January 2017.

Phoenix Marine Solutions Limited

Registered office: 95 Westburn Drive, Cambuslang, Glasgow, G72 7NA

Nature of business: Hire of test weights, fenders and gangways

	%		
Class of shares:	holding		
Ordinary	100.00		
		31.1.17	31.1.16
		£	£
Aggregate capital and reserves		33,776	33,352
Profit/(loss) for the year		<u>30,424</u>	<u>(3,627)</u>

14. STOCKS

	Group		Company	
	31.1.17	31.1.16	31.1.17	31.1.16
	£	£	£	£
Stock	1,000	703	-	-
Work-in-progress	52,219	23,624	50,776	11,114
	<u>53,219</u>	<u>24,327</u>	<u>50,776</u>	<u>11,114</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.1.17	31.1.16	31.1.17	31.1.16
	£	£	£	£
Trade debtors	5,938,293	5,289,730	5,525,406	4,941,486
Other debtors	585,528	972,053	619,509	965,637
Prepayments and accrued income	80,993	32,787	48,309	-
	<u>6,604,814</u>	<u>6,294,570</u>	<u>6,193,224</u>	<u>5,907,123</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2017

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.1.17	31.1.16	31.1.17	31.1.16
	£	£	£	£
Bank loans and overdrafts (see note 18)	436,091	-	427,125	-
Hire purchase contracts (see note 19)	7,131,042	5,675,815	6,827,236	5,419,130
Trade creditors	1,505,432	1,183,720	1,463,615	1,105,367
Corporation tax	428,991	470,879	376,362	421,863
P.A.Y.E. and N.I.C.	260,032	274,231	254,562	272,620
VAT	731,817	502,146	498,251	452,891
Other creditors	123,117	666,511	200,480	642,279
Director's current account	833,693	926,027	833,693	926,027
Accrued charges	666,142	605,234	658,748	599,832
	<u>12,116,357</u>	<u>10,304,563</u>	<u>11,540,072</u>	<u>9,840,009</u>

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

	Group		Company	
	31.1.17	31.1.16	31.1.17	31.1.16
	£	£	£	£
Hire purchase contracts (see note 19)	<u>10,186,570</u>	<u>9,469,252</u>	<u>9,968,573</u>	<u>9,121,201</u>

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.1.17	31.1.16	31.1.17	31.1.16
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	<u>436,091</u>	<u>-</u>	<u>427,125</u>	<u>-</u>

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	31.1.17	31.1.16
	£	£
Net obligations repayable:		
Within one year	7,131,042	5,675,815
Between one and five years	10,186,570	9,469,252
	<u>17,317,612</u>	<u>15,145,067</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2017

19. LEASING AGREEMENTS - continued

Company

	Hire purchase contracts	
	31.1.17	31.1.16
	£	£
Net obligations repayable:		
Within one year	6,827,236	5,419,130
Between one and five years	9,968,573	9,121,201
	<u>16,795,809</u>	<u>14,540,331</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	31.1.17	31.1.16	31.1.17	31.1.16
	£	£	£	£
Bank overdraft	436,091	-	427,125	-
Hire purchase contracts	17,317,612	-	16,795,809	14,540,331
	<u>17,753,703</u>	<u>-</u>	<u>17,222,934</u>	<u>14,540,331</u>

Bank of Scotland holds a Bond and Floating Charge by A B 2000 Limited over the whole assets of the company.

Hire purchase creditors are secured against the assets to which they relate.

21. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.1.17	31.1.16	31.1.17	31.1.16
	£	£	£	£
Deferred tax	<u>1,427,597</u>	<u>1,358,382</u>	<u>1,210,181</u>	<u>1,271,791</u>

Group

	Deferred tax
	£
Balance at 1 February 2016	1,358,382
Transfer from income statement	69,215
Balance at 31 January 2017	<u>1,427,597</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2017

21. PROVISIONS FOR LIABILITIES - continued

Company

	Deferred tax £
Balance at 1 February 2016	1,271,791
Transfer to income statement	(61,610)
Balance at 31 January 2017	<u>1,210,181</u>

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	31.1.17 £	31.1.16 £
250,000	Ordinary		<u>250,000</u>	<u>250,000</u>

23. RESERVES

Group

	Retained earnings £	Revaluation reserve £	Totals £
At 1 February 2016	10,684,467	-	10,684,467
Profit for the year	2,929,089		2,929,089
Dividends	(500,000)		(500,000)
Revaluation of plant and machinery	-	339,846	339,846
Deferred tax on revaluation	-	(64,571)	(64,571)
At 31 January 2017	<u>13,113,556</u>	<u>275,275</u>	<u>13,388,831</u>

Company

	Retained earnings £
At 1 February 2016	10,417,332
Profit for the year	2,915,347
Dividends	(500,000)
At 31 January 2017	<u>12,832,679</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2017

24. RELATED PARTY DISCLOSURES

During the year, the company received an interest free loan from a director amounting to £833,693 (2016 : £926,027).

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

Other related parties

	31.1.17	31.1.16
	£	£
Sales	61,762	28,903
Purchases	200,669	98,924
Inter company loan written off	115,000	-
Amount due from related party	37,304	35,574
Amount due to related party	<u>82,188</u>	<u>8,591</u>

During the year, a total of key management personnel compensation of £43,000 was paid.

25. POST BALANCE SHEET EVENTS

On 3 March 2017 A B 2000 Limited purchased the whole of the issued share capital of J D Plant Limited. The company's registered number is SC150244 and its registered office is situated at 95 Westburn Drive, Cambuslang, Glasgow, G72 7NA.

26. ULTIMATE CONTROLLING PARTY

The director, Adam Bruce, is the ultimate controlling party.