

Company Registration No. SC041917 (Scotland)

HAMILTON & INCHES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 MARCH 2014

Saffery Champness
CHARTERED ACCOUNTANTS

WEDNESDAY



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HAMILTON & INCHES LIMITED

COMPANY INFORMATION

Directors	R Haston P J Lederer S R Paterson
Secretary	R Haston
Company number	SC041917
Registered office	16 Charlotte Square Edinburgh EH2 4DF
Independent Auditors	Saffery Champness Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA
Business address	87 George Street Edinburgh EH2 3EY
Bankers	Bank of Scotland 38 St Andrew Square Edinburgh EH2 2YR
Solicitors	Dickson Minto WS 16 Charlotte Square Edinburgh EH2 4DF

HAMILTON & INCHES LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditors' report	5 - 6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9 - 20

HAMILTON & INCHES LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 29 MARCH 2014

The directors present their strategic report for the period ended 29 March 2014.

Fair review of business

Hamilton & Inches operate a flagship store in Edinburgh, a boutique in London and a silver workshop that supplies retail businesses throughout the UK and Europe. The company is differentiated through its silver workshops, investment in the finest gemstones, a focussed collection of the finest watch brands and the experience of its staff. Hamilton & Inches proudly represents Scottish luxury.

The financial year just ended saw the business successfully trade in otherwise difficult retail conditions. The current year saw turnover increase to £7,361,427 from £6,894,616 from the previous year which is an increase of 6.8% from 2013 levels, and the directors believe that a profit before tax as a percentage of sales performance of 2.0% (2013: 1.5%) was reasonable, particularly given the difficult retail market conditions and soaring commodity and precious stone prices. The management team has worked hard at improving the company's cash performance whilst continuing to invest substantially in the systems and infrastructure of the business in order to help reinforce a luxury experience for its customers.

The company and its staff reacted magnificently to an armed robbery in June 2014. Despite extensive damage and loss, the staff rose to the challenge and the business was quickly trading again following the event. The directors would like to express their thanks to staff for the determined efforts to recover quickly, and to insurers for rallying around to help with losses and replacement of stock to minimise disruption.

Key performance indicators

The Board continues to operate, and closely monitor, a series of key performance indicators including company cash flows, levels and mix of inventories, margins, new customers, business continuity readiness, corporate social responsibility and compliance with regulations (health and safety, environmental and legal) as integral in its overall management of the business.

	2014	2013	Movement £	%
Turnover (£)	7,361,427	6,894,616	466,811	6.8%
Gross Profit (£)	2,738,583	2,505,045	233,538	9.3%
Gross Profit (%)	37.2%	36.3%	-	-
Stock turnover	0.98	0.99	(0.01)	(1.0%)

The key performance indicators highlight that turnover and margins are up from 2013. Turnover and margins are up as a result of continued investment in comprehensive high quality core stock ranges which will support a planned growth in business. Stock turns are correspondingly expected to improve as growth is achieved.

Results and dividends

The profit and loss account for the period is set out on page 7.

HAMILTON & INCHES LIMITED

STRATEGIC REPORT (continued) FOR THE PERIOD ENDED 29 MARCH 2014

Future developments

The directors are confident in the potential of the company to grow, particularly as the economic and investment climate improves, through innovation, training and developing its talented people, creating a luxury customer experience, providing unique design and manufacture services from its own world-class craftsmen and investing in exclusive luxury brands to retail in a majestic showroom environment to create clear blue water between the company and its competitors.

Risks and uncertainties

The directors view the main business risks as outlined below and have implemented the following review processes and action plans to mitigate them:

- Liquidity - the company actively reviews and controls the working capital position, paying close attention to cash management as necessary, primarily through operational controls over expenditure, and securing suitable lines of funding through the company's bankers at all times
- Supply - the company has carefully considered the supplier brands it retails, both in terms of the quality of products and the state of business continuity preparedness, particularly with a view to continuity of supply. Together with its own manufacture/supply capability in silverware and jewellery, the board believes the supply chain is both robust and flexible, from both independent and large conglomerate suppliers.
- Input prices - commodity prices have increased substantially in the past twelve months and the business is actively monitoring its margins and investigating margin protection/improvement initiatives.
- Business continuity - the Board of Directors takes business continuity extremely seriously and the matter is consistently under review at meetings. Detailed Business Continuity Risk reporting ensures risks are identified and priorities established with necessary action plans carried out to mitigate the identified risk. The Risk Register is regularly reviewed at board meetings.
- Consumer spending patterns - the retail economic environment remains difficult, so the Board has prioritised sales and marketing resources towards maximising existing customer opportunities, targeted acquisition of new customers, promotion of unique world-class silver workshops and in-house jewellery design and manufacture as the best way of developing the business, whilst adopting a London-specific business plan for the Beauchamp Place boutique. A strategic marketing plan has been created and implemented to achieve these specific objectives.

On behalf of the board



.....
S R Paterson

Director

.....8/12/14.....

HAMILTON & INCHES LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 29 MARCH 2014

The directors present their report and financial statements for the period ended 29 March 2014.

Principal activities

The principal activities of the company continued to be those of jewellers and silversmiths.

Directors

The following directors have held office since 31 March 2013:

R Haston

P J Lederer

S R Paterson

Auditors

Saffery Champness have expressed their willingness to remain in office as auditors of the company.

Statement of directors' responsibilities

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

HAMILTON & INCHES LIMITED

**DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 29 MARCH 2014**

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



.....
S R Paterson

Director

.....8/12/14.....

HAMILTON & INCHES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAMILTON & INCHES LIMITED

We have audited the financial statements of Hamilton & Inches Limited for the period ended 29 March 2014 set out on pages 7 to 20. 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).

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 set out on page 3, 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 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 Annual 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 company's affairs as at 29 March 2014 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

HAMILTON & INCHES LIMITED

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF HAMILTON & INCHES LIMITED**

Matters on which we are required to report by exception

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

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



**Maxwell Floyd (Senior Statutory Auditor)
for and on behalf of Saffery Champness**

11 December 2014

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**Chartered Accountants
Statutory Auditors**

Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

HAMILTON & INCHES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 29 MARCH 2014

	Notes	2014 £	2013 £
Turnover	2	7,361,427	6,894,616
Cost of sales		<u>(4,622,844)</u>	<u>(4,389,571)</u>
Gross profit		2,738,583	2,505,045
Administrative expenses		(2,651,476)	(2,428,943)
Other operating income		<u>76,899</u>	<u>33,718</u>
Operating profit	3	164,006	109,820
Other interest receivable and similar income	4	120	457
Interest payable and similar charges	5	<u>(16,557)</u>	<u>(6,183)</u>
Profit on ordinary activities before taxation		147,569	104,094
Tax on profit on ordinary activities	6	<u>(41,887)</u>	<u>(36,258)</u>
Profit for the period	17	<u><u>105,682</u></u>	<u><u>67,836</u></u>

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

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 9 to 20 form part of these financial statements.

HAMILTON & INCHES LIMITED

**BALANCE SHEET
AS AT 29 MARCH 2014**

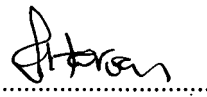
	Notes	2014		2013	
		£	£	£	£
Fixed assets					
Intangible assets	7		31,277		36,497
Tangible assets	8		699,609		593,586
Investments	9		15,100		15,100
			<u>745,986</u>		<u>645,183</u>
Current assets					
Stocks and work in progress	10	4,966,195		4,444,509	
Debtors	11	1,851,961		1,938,025	
Cash at bank and in hand		1,605		25,938	
			<u>6,819,761</u>		<u>6,408,472</u>
Creditors: amounts falling due within one year	12	<u>(1,298,577)</u>		<u>(864,737)</u>	
Net current assets			<u>5,521,184</u>		<u>5,543,735</u>
Total assets less current liabilities			<u>6,267,170</u>		<u>6,188,918</u>
Creditors: amounts falling due after more than one year	13		(101,445)		(140,758)
Provisions for liabilities and charges	14		<u>(69,515)</u>		<u>(57,632)</u>
			<u>6,096,210</u>		<u>5,990,528</u>
Capital and reserves					
Called up share capital	16		1,250,000		1,250,000
Profit and loss account	17		4,846,210		4,740,528
			<u>6,096,210</u>		<u>5,990,528</u>
Shareholders' funds - equity interests			<u>6,096,210</u>		<u>5,990,528</u>

The notes on pages 9 to 20 form part of these financial statements.

The financial statements were approved by the Board on 8th December 2014



P J Lederer
Chairman



S R Paterson
Managing director

Company Registration No. SC041917

HAMILTON & INCHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 MARCH 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company adopts a normal retail reporting basis to the Saturday nearest 31 March each year.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a wholly owned subsidiary of Hamilton & Inches Holdings Limited whose consolidated financial statements are available to the public.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services as supplied, excluding value added tax, and is stated net of trade discounts.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures and fittings	over 12 years
Office machinery	over 5 years
Computer equipment	over 2-3 years

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.8 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.9 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

HAMILTON & INCHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 29 MARCH 2014

1 Accounting policies (continued)

1.10 Deferred taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between taxable profits and results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.12 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Hamilton & Inches Holdings Limited, a company incorporated in Scotland, and is included in the consolidated financial statements of that company.

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2014	2013
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	5,220	5,220
Depreciation of tangible assets - owned assets	101,367	90,472
Loss on foreign exchange transactions	2,405	5,860
Operating lease rentals	140,850	140,850
Audit services	6,470	6,220
Non-audit services		
- tax services	2,000	1,900
- all other services	15,230	12,080
	<u>15,230</u>	<u>12,080</u>

HAMILTON & INCHES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 29 MARCH 2014**

4	Investment income	2014	2013
		£	£
	Bank interest	120	457
		<u>120</u>	<u>457</u>
		<u><u>120</u></u>	<u><u>457</u></u>
5	Interest payable	2014	2013
		£	£
	On bank loans and overdrafts	10,351	1,941
	On other loans wholly repayable within five years	6,206	4,242
		<u>16,557</u>	<u>6,183</u>
		<u><u>16,557</u></u>	<u><u>6,183</u></u>

HAMILTON & INCHES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 29 MARCH 2014**

6 Taxation	2014	2013
	£	£
Domestic current year tax		
U.K. corporation tax	30,004	32,827
Adjustment for prior years	-	(2,807)
	<hr/>	<hr/>
Total current tax	30,004	30,020
	<hr/>	<hr/>
Deferred tax		
Deferred tax charge	11,883	4,257
Deferred tax adjust re previous year	-	1,981
	<hr/>	<hr/>
	11,883	6,238
	<hr/>	<hr/>
	41,887	36,258
	<hr/> <hr/>	<hr/> <hr/>
Factors affecting the tax charge for the period		
Profit on ordinary activities before taxation	147,569	104,094
	<hr/> <hr/>	<hr/> <hr/>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2013 - 24.00%)	33,941	24,983
	<hr/>	<hr/>
Effects of:		
Non deductible expenses	14,296	11,605
Depreciation add back	7,178	195
Adjustments to previous periods	-	(2,807)
Other tax adjustments	(25,411)	(3,956)
	<hr/>	<hr/>
	(3,937)	5,037
	<hr/>	<hr/>
Current tax charge for the period	30,004	30,020
	<hr/> <hr/>	<hr/> <hr/>

HAMILTON & INCHES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 29 MARCH 2014**

7 Intangible fixed assets

	Goodwill
	£
Cost	
At 31 March 2013 & at 29 March 2014	104,302
Amortisation	
At 31 March 2013	67,805
Charge for the period	5,220
At 29 March 2014	73,025
Net book value	
At 29 March 2014	31,277
At 30 March 2013	36,497

8 Tangible fixed assets

	Fixtures and fittings	Office machinery	Computer equipment	Total
	£	£	£	£
Cost				
At 31 March 2013	1,676,047	89,285	122,803	1,888,135
Additions	193,477	3,705	10,208	207,390
At 29 March 2014	1,869,524	92,990	133,011	2,095,525
Depreciation				
At 31 March 2013	1,134,984	66,967	92,598	1,294,549
Charge for the period	77,572	4,259	19,536	101,367
At 29 March 2014	1,212,556	71,226	112,134	1,395,916
Net book value				
At 29 March 2014	656,968	21,764	20,877	699,609
At 30 March 2013	541,063	22,318	30,205	593,586

HAMILTON & INCHES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 29 MARCH 2014**

9 Fixed asset investments

	Unlisted investments	Shares in subsidiary undertakings	Total
	£	£	£
Cost			
At 31 March 2013 & at 29 March 2014	<u>15,000</u>	<u>100</u>	<u>15,100</u>

In the opinion of the directors, the aggregate value of the company's fixed asset investments is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Principal activity	Shares held	
			Class	%
Subsidiary undertakings				
T K Ebbutt Limited	Scotland	Dormant	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2014 £	Profit for the year 2014 £
T K Ebbutt Limited	<u>100</u>	<u>-</u>

Investments where the holding is less than 20% have not been disclosed in accordance with FRS 9 - Associates and Joint Ventures.

10 Stocks and work in progress	2014 £	2013 £
Raw materials and consumables	290,650	297,649
Work in progress	58,856	52,213
Finished goods and goods for resale	<u>4,616,689</u>	<u>4,094,647</u>
	<u>4,966,195</u>	<u>4,444,509</u>

HAMILTON & INCHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 29 MARCH 2014

11 Debtors	2014	2013
	£	£
Trade debtors	208,589	234,526
Amounts owed by parent and fellow subsidiary undertakings	1,538,679	1,635,657
Other debtors	567	14,945
Prepayments and accrued income	104,126	52,897
	<u>1,851,961</u>	<u>1,938,025</u>

12 Creditors: amounts falling due within one year	2014	2013
	£	£
Bank loans and overdrafts	232,103	37,810
Trade creditors	866,753	574,711
Corporation tax	30,004	32,827
Other taxes and social security costs	92,515	138,047
Accruals and deferred income	77,202	81,342
	<u>1,298,577</u>	<u>864,737</u>

The company has granted a floating charge over the whole assets of the company in favour of the Bank of Scotland. In addition to this, the company also has a letter of offset in place whereby any credit balances held by the company can be offset against any sums that may become due by T K Ebbutt Limited.

HAMILTON & INCHES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 29 MARCH 2014**

13 Creditors: amounts falling due after more than one year	2014	2013
	£	£
Bank loans	<u>101,445</u>	<u>140,758</u>
Analysis of loans		
Wholly repayable within five years	<u>140,762</u>	<u>178,568</u>
Included in current liabilities	<u>140,762</u> <u>(39,317)</u>	<u>178,568</u> <u>(37,810)</u>
	<u>101,445</u>	<u>140,758</u>
Loan maturity analysis		
In more than two years but not more than five years	<u>101,445</u>	<u>140,758</u>

14 Provisions for liabilities

	Deferred tax liability
	£
Balance at 31 March 2013	57,632
Profit and loss account	<u>11,883</u>
Balance at 29 March 2014	<u>69,515</u>

The deferred tax liability is made up as follows:

	2014	2013
	£	£
Accelerated capital allowances	<u>69,515</u>	<u>57,632</u>

HAMILTON & INCHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 29 MARCH 2014

15 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2014 £	2013 £
Contributions payable by the company for the period	131,554	93,485
Contributions payable to the fund at the period end and included in creditors	<u>(23,585)</u>	<u>-</u>

16 Share capital

Allotted, called up and fully paid

1,250,000 Ordinary shares of £1 each

	2014 £	2013 £
	<u>1,250,000</u>	<u>1,250,000</u>

17 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 31 March 2013	4,740,528
Profit for the period	<u>105,682</u>
Balance at 29 March 2014	<u>4,846,210</u>

18 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial period	105,682	67,836
Opening shareholders' funds	<u>5,990,528</u>	<u>5,922,692</u>
Closing shareholders' funds	<u>6,096,210</u>	<u>5,990,528</u>

HAMILTON & INCHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 29 MARCH 2014

19 Contingent liabilities

The lease for the London Showroom is due to expire on 16 May 2015, if the company vacates the property on this date. Under the terms of the lease agreement, repair work will be required prior to the company vacating the property to return it to its former state. The company expects to appoint a building surveyor to establish the cost of these works and as such no reliable estimate can be given to these works at the year end. As a result, no provision for these costs have been included in these financial statements.

20 Financial commitments

At 29 March 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 28 March 2015:

	Land and buildings	
	2014	2013
	£	£
Operating leases which expire:		
Within one year	80,850	-
Between two and five years	60,000	140,850
	<u>140,850</u>	<u>140,850</u>

21 Capital commitments

At 29 March 2014 the company had capital commitments as follows:

	2014	2013
	£	£
Authorised but not contracted for	-	270,000
	<u>-</u>	<u>270,000</u>

HAMILTON & INCHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 29 MARCH 2014

22 Directors' emoluments	2014	2013
	£	£
Emoluments for qualifying services	172,636	206,336
Company pension contributions to money purchase schemes	23,647	23,647
	<u>196,283</u>	<u>229,983</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2013 - 2).

Emoluments disclosed above include the following amounts paid to the highest paid director:

	2014	2013
	£	£
Emoluments for qualifying services	109,134	109,037
Company pension contributions to money purchase schemes	12,597	12,597
	<u>121,731</u>	<u>121,634</u>

23 Employees

Number of employees

The average monthly number of employees (including directors) during the period was:

	2014	2013
	Number	Number
Management and administration	12	11
Manufacturing	10	9
Retail	17	15
	<u>39</u>	<u>35</u>

Employment costs

	£	£
Wages and salaries	1,181,826	1,108,670
Social security costs	119,109	117,396
Other pension costs	131,554	93,485
	<u>1,432,489</u>	<u>1,319,551</u>

HAMILTON & INCHES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 29 MARCH 2014

24 Control

The directors consider Hamilton & Inches Holdings Limited to be the immediate controlling party. Dr W Scott is the majority shareholder of Hamilton & Inches Holdings Limited and as such is the ultimate controlling party of the company.

25 Related party relationships and transactions

Other transactions

Expenses were reimbursed to Mrs A Paterson, the wife of Mr S Paterson, managing director, for work performed in connection with raising the company profile. The costs totalled £4,734 (2013: £23,929), no amounts were outstanding at the year end (2013: Nil).

The company has taken advantage of the exemption in FRS 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.