

Company Registration No. 00335572 (England and Wales)

MANOR COATING SYSTEMS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016

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MANOR COATING SYSTEMS LIMITED

COMPANY INFORMATION

Directors	M Smith P D Smith M C Brannan D Smith
Secretary	P D Smith
Company number	00335572
Registered office	Head Office Otley Road Charlestown Baildon West Yorkshire BD17 7DP
Auditor	BHP Clough & Company LLP New Chartford House Centurion Way Cleckheaton Bradford West Yorkshire BD19 3QB

MANOR COATING SYSTEMS LIMITED

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MANOR COATING SYSTEMS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2016

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

Fair review of the business

Despite a decline in sales revenue the company had one of its most successful years. This was driven by improvements in the gross margin attributable to the effect of the price of oil and the exchange rate together with a change in business mix which also partly contributed to the overall decline in sales. Since the start of quarter 3 in the year the price of oil and exchange rates have moved adversely which has put the margin under pressure in quarter 4.

Overheads have been controlled with the company receiving the benefit of cost cutting initiatives from previous years.

Results

	Unit	2016	2015
Profit after tax	£	791,892	723,108
Dividends paid	£	630,000	787,500

The company continues to invest in product development to strengthen its position in its chosen markets and remains focused on the growth of its industrial paint business.

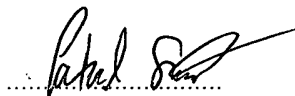
The company has invested in manufacturing and laboratory equipment and IT as well as building infrastructure with a view to having one of the most modern paint plants in the UK.

Principal risks and uncertainties

The company faces external risk similar to many other businesses, most particularly the general state of the economy and economic growth, exchange rates and traded commodity prices particularly oil.

It is too early to determine what, if any, impact Brexit will have on future earnings. The company does however source materials from around the world and access to these materials is key for future success.

By order of the Board and signed on its behalf by:



P D Smith

Secretary

10 May 2017

MANOR COATING SYSTEMS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2016

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

Principal activities

The principal activity of the company continued to be that of the manufacture and supply of paint and related liquid coatings.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Smith
P D Smith
M C Brannan
D Smith

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £630,000. The directors do not recommend payment of a further dividend.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Financial instruments

All the company's sales are denominated in pounds sterling.

Purchases made in foreign currencies are a modest proportion of the overall costs of the business. Foreign exchange differences are taken to the profit and loss account as they arise.

Materials manufactured or refined outside the United Kingdom are mainly purchased through independent third party agents and distributors who carry the currency risk.

The customer enforces credit terms through working with its customers.

Auditor

In accordance with the company's articles, a resolution proposing that BHP Clough & Company LLP be reappointed as auditor of the company will be put at a General Meeting.

MANOR COATING SYSTEMS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2016

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

By order of the board



P D Smith

Secretary

10 Nov 2017

MANOR COATING SYSTEMS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF MANOR COATING SYSTEMS LIMITED

We have audited the financial statements of Manor Coating Systems Limited for the year ended 30 November 2016 set out on pages 6 to 22. 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 member, 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 member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 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 30 November 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

MANOR COATING SYSTEMS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF MANOR COATING SYSTEMS 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.

Ann Brown (Senior Statutory Auditor)

for and on behalf of BHP Clough & Company LLP, Statutory Auditor

BHP Clough & Company LLP

BHP Clough & Company LLP, Statutory Auditor

New Chartford House

Centurion Way

Cleckheaton

Bradford

West Yorkshire

BD19 3QB

23 May 2017

MANOR COATING SYSTEMS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2016

	Notes	2016 £	2015 £
Turnover	3	10,193,633	10,579,752
Change in stocks of finished goods and in work in progress		(98,073)	(157,918)
Raw materials and consumables		(5,042,206)	(5,392,389)
Staff costs	5	(2,558,908)	(2,433,397)
Depreciation and other amounts written off tangible and intangible fixed assets	4	(94,936)	(152,407)
Other operating expenses		(1,468,401)	(1,547,618)
Operating profit	4	931,109	896,023
Interest receivable and similar income	7	1,184	2,000
Interest payable and similar charges	8	(818)	-
Profit before taxation		931,475	898,023
Taxation	9	(139,583)	(174,915)
Profit for the financial year		791,892	723,108

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

MANOR COATING SYSTEMS LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Intangible assets	11	-	-	-	-
Tangible assets	12	515,511		456,826	
Investments	13	81,501		81,501	
			597,012		538,327
Current assets					
Stocks	15	1,267,375		1,268,755	
Debtors	16	2,010,773		2,090,693	
Cash at bank and in hand		752,012		767,170	
			4,030,160		4,126,618
Creditors: amounts falling due within one year	17	(2,011,959)		(2,189,278)	
Net current assets			2,018,201		1,937,340
Total assets less current liabilities			2,615,213		2,475,667
Provisions for liabilities	18		(42,736)		(65,082)
Net assets			2,572,477		2,410,585
Capital and reserves					
Called up share capital	21	52,500		52,500	
Capital redemption reserve		47,500		47,500	
Profit and loss reserves		2,472,477		2,310,585	
Total equity			2,572,477		2,410,585

The financial statements were approved by the board of directors and authorised for issue on 10 Nov 2017 and are signed on its behalf by:



P D Smith
Director

Company Registration No. 00335572

MANOR COATING SYSTEMS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2016

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 December 2014		52,500	47,500	2,374,977	2,474,977
Year ended 30 November 2015:					
Profit and total comprehensive income for the year		-	-	723,108	723,108
Dividends	10	-	-	(787,500)	(787,500)
Balance at 30 November 2015		52,500	47,500	2,310,585	2,410,585
Year ended 30 November 2016:					
Profit and total comprehensive income for the year		-	-	791,892	791,892
Dividends	10	-	-	(630,000)	(630,000)
Balance at 30 November 2016		52,500	47,500	2,472,477	2,572,477

MANOR COATING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

1 Accounting policies

Company information

Manor Coating Systems Limited is a company limited by shares incorporated in England and Wales. The registered office is Head Office, Otley Road, Charlestown, Baildon, West Yorkshire, BD17 7DP.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 November 2016 are the first financial statements of Manor Coating Systems Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 December 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 27.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Manor Coating Systems (Holdings) Limited. These consolidated financial statements are available from its registered office,

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts 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 Manor Coating Systems (Holdings) Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

MANOR COATING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

1 Accounting policies (Continued)

1.2 Going concern

The financial statements have been prepared on a going concern basis.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	Straight line over 10 & 15 years
Fixtures and fittings	Straight line over 4, 10 & 15 years
Motor vehicles	Straight line over 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

MANOR COATING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2016

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

MANOR COATING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2016

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

MANOR COATING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2016

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

MANOR COATING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover		
Sales	10,193,633	10,579,752

Other significant revenue

Interest income	1,184	2,000
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Turnover analysed by geographical market

	2016 £	2015 £
Sales - UK	9,983,462	10,376,682
Sales - Overseas	210,171	203,070
	10,193,633	10,579,752

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	12,575	12,250
Depreciation of owned tangible fixed assets	94,936	82,253
Loss on disposal of tangible fixed assets	12,779	1,020
Amortisation of intangible assets	-	70,154
Cost of stocks recognised as an expense	5,140,279	5,550,307
Operating lease charges	237,127	300,487

MANOR COATING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Administration and support	78	76

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	2,213,212	2,118,470
Social security costs	223,709	196,923
Pension costs	121,987	118,004
	<u>2,558,908</u>	<u>2,433,397</u>

6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	346,475	240,626
Company pension contributions to defined contribution schemes	85,909	45,056
	<u>432,384</u>	<u>285,682</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2015 - 2).

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

Remuneration for qualifying services	170,016	117,855
Company pension contributions to defined contribution schemes	45,324	20,123
	<u>215,340</u>	<u>137,978</u>

7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	1,184	2,000

MANOR COATING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

8 Interest payable and similar charges

	2016 £	2015 £
Other interest	818	-
	<u>818</u>	<u>-</u>

9 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	162,000	176,600
Adjustments in respect of prior periods	(71)	(336)
Total current tax	<u>161,929</u>	<u>176,264</u>
Deferred tax		
Origination and reversal of timing differences	<u>(22,346)</u>	<u>(1,349)</u>
Total tax charge	<u>139,583</u>	<u>174,915</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	<u>931,475</u>	<u>898,023</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	186,295	179,605
Tax effect of expenses that are not deductible in determining taxable profit	1,167	3,710
Change in unrecognised deferred tax assets	(26,901)	11,285
Effect of change in corporation tax rate	-	515
Group relief	-	(801)
Other permanent differences	(20,084)	(19,132)
Under/(over) provided in prior years	(71)	(336)
Other	(823)	69
Taxation for the year	<u>139,583</u>	<u>174,915</u>

MANOR COATING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

10 Dividends

	2016 £	2015 £
Dividends paid	630,000	787,500

11 Intangible fixed assets

	Goodwill £
Cost	
At 1 December 2015 and 30 November 2016	140,308
Amortisation and impairment	
At 1 December 2015 and 30 November 2016	140,308
Carrying amount	
At 30 November 2016	-
At 30 November 2015	-

12 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 December 2015	1,750,581	788,973	108,272	2,647,826
Additions	97,175	58,355	11,288	166,818
Disposals	(190,452)	(73,162)	(11,605)	(275,219)
At 30 November 2016	1,657,304	774,166	107,955	2,539,425
Depreciation and impairment				
At 1 December 2015	1,439,300	695,178	56,522	2,191,000
Depreciation charged in the year	34,585	38,734	21,617	94,936
Eliminated in respect of disposals	(177,335)	(73,082)	(11,605)	(262,022)
At 30 November 2016	1,296,550	660,830	66,534	2,023,914
Carrying amount				
At 30 November 2016	360,754	113,336	41,421	515,511
At 30 November 2015	311,281	93,795	51,750	456,826

MANOR COATING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

13 Fixed asset investments

	Notes	2016 £	2015 £
Investments in subsidiaries	14	81,501	81,501

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 December 2015 & 30 November 2016	86,501
Impairment	
At 1 December 2015 & 30 November 2016	5,000
Carrying amount	
At 30 November 2016	81,501
At 30 November 2015	81,501

14 Subsidiaries

Details of the company's subsidiaries at 30 November 2016 are as follows:

Name of undertaking	Nature of business	Class of shareholding	% Held Direct Indirect
John Hargreaves & Son (Bradford) Limited	Dormant	Ordinary	100.00
Paintfire Limited	Dormant	Ordinary	100.00
Shipley Paint Limited	Dormant	Ordinary	100.00

The investments in subsidiaries are all stated at cost less any provisions for impairment.

The registered office of all subsidiaries is Head Office, Otley Road, Charlestown, Baildon, West Yorkshire, BD17 7DP.

15 Stocks

	2016 £	2015 £
Raw materials and consumables	663,131	566,438
Finished goods and goods for resale	604,244	702,317
	1,267,375	1,268,755

MANOR COATING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

16 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	1,867,500	2,016,803
Other debtors	748	6,532
Prepayments and accrued income	142,525	67,358
	<u>2,010,773</u>	<u>2,090,693</u>

17 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,124,498	1,120,361
Amounts due to group undertakings	81,501	81,501
Corporation tax	12,000	176,600
Other taxation and social security	237,307	248,615
Other creditors	878	11,152
Accruals and deferred income	555,775	551,049
	<u>2,011,959</u>	<u>2,189,278</u>

18 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	19	<u>42,736</u>	<u>65,082</u>

MANOR COATING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	88,591	65,082
Short term timing differences	(45,855)	-
	<u>42,736</u>	<u>65,082</u>
		2016
Movements in the year:		£
Liability at 1 December 2015		65,082
Credit to profit or loss		(22,346)
		<u>42,736</u>
Liability at 30 November 2016		<u>42,736</u>

Of the deferred tax liability set out above, £24,000 is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature in the same period.

20 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	121,987	118,004
	<u>121,987</u>	<u>118,004</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions totalling £53,378 (2015 - £15,992) were payable to the fund at the year end and are included in creditors.

21 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
52,500 Ordinary shares of £1 each	52,500	52,500
	<u>52,500</u>	<u>52,500</u>

All shares are ordinary shares. Shareholders are entitled to dividends in proportion to their shareholding.

MANOR COATING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

22 Financial commitments, guarantees and contingent liabilities

There is a debenture in place creating a fixed and floating charge over the assets of Manor Coating Systems Limited. A cross guarantee exists between Manor Coating Systems (Holdings) Limited, Manor Coating Systems (Properties) Limited and Manor Coating Systems Limited supported by debentures from Manor Coating Systems (Properties) Limited and Manor Coating Systems (Holdings) Limited.

23 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	178,098	198,374
Between two and five years	213,228	159,173
In over five years	25,944	-
	<u>417,270</u>	<u>357,547</u>

24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2016 £	2015 £
Acquisition of property, plant and equipment	<u>40,056</u>	<u>-</u>

25 Related party transactions

No guarantees have been given or received.

26 Controlling party

The ultimate parent company is Manor Coating Systems (Holdings) Limited, a company registered in England and Wales.

MANOR COATING SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

27 Reconciliations on adoption of FRS 102

Reconciliation of equity

	1 December 2014 £	30 November 2015 £
Equity as reported under previous UK GAAP and under FRS 102	<u>2,474,977</u>	<u>2,410,585</u>

Reconciliation of profit for the financial period

	2015 £
Profit as reported under previous UK GAAP and under FRS 102	<u>723,108</u>

Notes to reconciliations on adoption of FRS 102

There have been no restatement of balances upon the adoption of FRS 102.