

REGISTERED NUMBER: 01240380 (England and Wales)

Morris & Co. (Handlers) Limited

Strategic Report, Report of the Directors and

Financial Statements For The Year Ended 1 October 2016



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For The Year Ended 1 October 2016

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Morris & Co. (Handlers) Limited

Company Information
For The Year Ended 1 October 2016

DIRECTORS:

A E Morris
S A Morris
T E Morris

REGISTERED OFFICE:

Bankwood Lane
New Rossington
Doncaster
South Yorkshire
DN11 0PS

REGISTERED NUMBER:

01240380 (England and Wales)

AUDITORS:

Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

Strategic Report
For The Year Ended 1 October 2016

The directors present their strategic report for the year ended 1 October 2016.

REVIEW OF BUSINESS

In the year to 1 October 2016 the company had a decreased turnover but increased profitability compared to the prior period. The fall in turnover was largely due to the fall in demand from UK markets but the Board have found new markets and turnover is showing a steady increase in 2017.

In 2016 profit has increased due to marginally increased prices on raw materials used in steel manufacturing and the benefit of the investment in new equipment providing increased scrap yields and the results were not affected by the bad debt as had arisen in 2015.

The company employed 27 people (25 in 2015) producing a turnover of £9,159,792 (2015 £13,792,776) . The turnover shows a decrease of 33 % compared with the previous year.

The capital and reserves at the end of the year amounted to £1,110,195 (2015 £934,620).

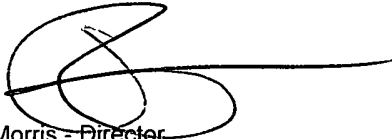
The company's subsidiary Morris Metal Limited became dormant during the year and in these circumstances the directors have decided that in view of the trivial amounts involved consolidated accounts should not be prepared.

The directors consider the level of activity and year end position to be satisfactory.

PRINCIPAL RISKS AND UNCERTAINTIES

Within the commercial activities the main risk facing the group are the fluctuations in scrap metal prices , credit and liquidity risk.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, consisting of a large, stylized 'S' or 'M' shape with a long horizontal line extending to the right.

T E Morris - Director

26 June 2017

Report of the Directors
For The Year Ended 1 October 2016

The directors present their report with the financial statements of the company for the year ended 1 October 2016.

DIVIDENDS

The total distribution of interim dividends for the year ended 1 October 2016 was £185,502 (2015 : £367,111)

The directors recommend that no final dividend be paid.

DIRECTORS

The directors shown below have held office during the whole of the period from 2 October 2015 to the date of this report.

A E Morris
S A Morris
T E Morris

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 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.

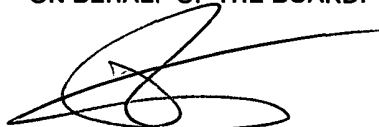
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 company'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 company's auditors are aware of that information.

AUDITORS

The auditors, Allotts Business Services Ltd, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



T E Morris - Director

26 June 2017

Report of the Independent Auditors to the Members of
Morris & Co. (Handlers) Limited

We have audited the financial statements of Morris & Co. (Handlers) Limited for the year ended 1 October 2016 on pages five to twenty two. 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 page three, 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 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 company's affairs as at 1 October 2016 and of its 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 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.

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.



Steven Pepper FCA (Senior Statutory Auditor)
for and on behalf of Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

26 June 2017

Morris & Co. (Handlers) Limited (Registered number: 01240380)

Income Statement
For The Year Ended 1 October 2016

	Notes	2016 £	£	2015 £	£
TURNOVER	3		9,159,792		13,792,776
Cost of sales			7,675,033		12,483,265
GROSS PROFIT			1,484,759		1,309,511
Administrative expenses			926,527		1,292,146
OPERATING PROFIT	5		558,232		17,365
Income from shares in group undertakings		43,465		-	
Interest receivable and similar income		53		150,600	
			43,518		150,600
			601,750		167,965
Amounts written off investments	6		19,951		-
			581,799		167,965
Interest payable and similar expenses	7		139,166		85,182
PROFIT BEFORE TAXATION			442,633		82,783
Tax on profit	8		81,556		23,137
PROFIT FOR THE FINANCIAL YEAR			361,077		59,646

The notes form part of these financial statements

Morris & Co. (Handlers) Limited (Registered number: 01240380)

Other Comprehensive Income
For The Year Ended 1 October 2016

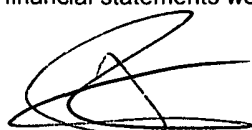
	Notes	2016 £	2015 £
PROFIT FOR THE YEAR		361,077	59,646
OTHER COMPREHENSIVE INCOME			
Revaluation of property and plant		-	302,280
Income tax relating to other comprehensive income		-	(56,617)
		<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		-	245,663
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>361,077</u>	<u>305,309</u>

The notes form part of these financial statements

Balance Sheet
1 October 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	10	4,366,519	3,929,356
Investments	11	100	20,051
		<u>4,366,619</u>	<u>3,949,407</u>
CURRENT ASSETS			
Stocks	12	772,015	752,814
Debtors	13	3,084,998	2,234,228
Cash at bank and in hand		228,014	5,178
		<u>4,085,027</u>	<u>2,992,220</u>
CREDITORS			
Amounts falling due within one year	14	<u>5,636,094</u>	<u>4,383,762</u>
NET CURRENT LIABILITIES		<u>(1,551,067)</u>	<u>(1,391,542)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,815,552</u>	<u>2,557,865</u>
CREDITORS			
Amounts falling due after more than one year	15	(1,381,744)	(1,281,818)
PROVISIONS FOR LIABILITIES	19	(323,613)	(341,427)
NET ASSETS		<u><u>1,110,195</u></u>	<u><u>934,620</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	250	250
Revaluation reserve	21	620,147	647,636
Capital redemption reserve	21	250	250
Retained earnings	21	489,548	286,484
SHAREHOLDERS' FUNDS		<u><u>1,110,195</u></u>	<u><u>934,620</u></u>

The financial statements were approved by the Board of Directors on 26 June 2017 and were signed on its behalf by:



T E Morris - Director

Statement of Changes in Equity
For The Year Ended 1 October 2016

	Called up share capital £	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 2 October 2014	250	627,542	368,380	250	996,422
Changes in equity					
Dividends	-	(367,111)	-	-	(367,111)
Total comprehensive income	-	26,053	279,256	-	305,309
Balance at 1 October 2015	250	286,484	647,636	250	934,620
Changes in equity					
Dividends	-	(185,502)	-	-	(185,502)
Total comprehensive income	-	388,566	(27,489)	-	361,077
Balance at 1 October 2016	250	489,548	620,147	250	1,110,195

Cash Flow Statement
For The Year Ended 1 October 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	884,505	1,378,739
Interest paid		(60,422)	(27,508)
Interest element of hire purchase payments paid		(78,744)	(57,674)
Tax paid		41,685	(106,616)
Net cash from operating activities		<u>787,024</u>	<u>1,186,941</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(178,101)	(718,515)
Sale of tangible fixed assets		-	160,165
Interest received		53	150,600
Dividends received		43,465	-
Net cash from investing activities		<u>(134,583)</u>	<u>(407,750)</u>
Cash flows from financing activities			
New loans in year		-	200,000
Loan repayments in year		(58,336)	(38,336)
Invoice financing		366,456	(1,248,720)
Subsidiary loan		(989)	21,896
Capital repayments in year		(410,151)	(395,764)
Amount withdrawn by directors		51,997	(20,879)
Equity dividends paid		(185,502)	(367,111)
Net cash from financing activities		<u>(236,525)</u>	<u>(1,848,914)</u>
Increase/(decrease) in cash and cash equivalents		<u>415,916</u>	<u>(1,069,723)</u>
Cash and cash equivalents at beginning of year	2	(187,902)	881,821
Cash and cash equivalents at end of year	2	<u><u>228,014</u></u>	<u><u>(187,902)</u></u>

The notes form part of these financial statements

Morris & Co. (Handlers) Limited (Registered number: 01240380)

Notes to the Cash Flow Statement
For The Year Ended 1 October 2016

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

	2016	2015
	£	£
Profit before taxation	442,633	82,783
Depreciation charges	472,507	478,900
Loss/(profit) on disposal of fixed assets	13,539	(40,081)
Amounts written off investments	19,951	-
Finance costs	139,166	85,182
Finance income	(43,518)	(150,600)
	<u>1,044,278</u>	<u>456,184</u>
Increase in stocks	(19,201)	(317,907)
(Increase)/decrease in trade and other debtors	(892,032)	2,293,253
Increase/(decrease) in trade and other creditors	<u>751,460</u>	<u>(1,052,791)</u>
Cash generated from operations	<u><u>884,505</u></u>	<u><u>1,378,739</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 1 October 2016

	1.10.16	2.10.15
	£	£
Cash and cash equivalents	228,014	5,178
Bank overdrafts	-	(193,080)
	<u>228,014</u>	<u>(187,902)</u>

Year ended 1 October 2015

	1.10.15	2.10.14
	£	£
Cash and cash equivalents	5,178	881,821
Bank overdrafts	(193,080)	-
	<u>(187,902)</u>	<u>881,821</u>

3. MAJOR NON-CASH TRANSACTIONS

During the year the company entered into hire purchase and finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £745,108 (2015 £817,559).

Notes to the Financial Statements
For The Year Ended 1 October 2016

1. STATUTORY INFORMATION

Morris & Co. (Handlers) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The directors are aware of the year end net current liabilities of the company and have taken steps to ensure the company has adequate financial resource to continue trading over the next twelve months. The directors have produced forecasts which show that the company can continue to operate within its financial resources for 12 months from the date of this report. Consequently the directors are confident that the financial statements are properly prepared on a going concern basis.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

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

Freehold property	- 4% on cost
Plant and machinery	- 10% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

Stocks

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

Deferred tax

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet 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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. 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 the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Financial Statements - continued
For The Year Ended 1 October 2016

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2016 £	2015 £
United Kingdom	8,577,181	13,772,131
Europe	582,611	20,645
	<u>9,159,792</u>	<u>13,792,776</u>

4. EMPLOYEES AND DIRECTORS

	2016 £	2015 £
Wages and salaries	674,661	592,552
Social security costs	59,118	54,960
Other pension costs	54,708	6,600
	<u>788,487</u>	<u>654,112</u>

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

	2016	2015
Site operatives	22	21
Administration	5	4
	<u>27</u>	<u>25</u>

	2016 £	2015 £
Directors' remuneration	21,800	22,799
Directors' pension contributions to money purchase schemes	4,800	4,800
	<u></u>	<u></u>

5. OPERATING PROFIT

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

	2016 £	2015 £
Hire of plant and machinery	83,152	14,530
Depreciation - owned assets	285,837	348,738
Depreciation - assets on hire purchase contracts	186,670	130,162
Loss/(profit) on disposal of fixed assets	13,539	(40,081)
Auditors' remuneration	5,000	4,700
Bad debts	-	391,945
	<u></u>	<u></u>

6. AMOUNTS WRITTEN OFF INVESTMENTS

	2016 £	2015 £
Amount written off investment	19,951	-
	<u></u>	<u></u>

Notes to the Financial Statements - continued
For The Year Ended 1 October 2016

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016	2015
	£	£
Bank interest	3,994	2,019
Bank loan interest	29,272	19,222
Other interest	27,156	6,267
Hire purchase	78,744	57,674
	<u>139,166</u>	<u>85,182</u>

8. TAXATION

Analysis of the tax charge

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

	2016	2015
	£	£
Current tax:		
UK corporation tax	99,370	(41,262)
Adjustment for earlier years	-	(184)
Total current tax	<u>99,370</u>	<u>(41,446)</u>
Deferred tax	<u>(17,814)</u>	<u>64,583</u>
Tax on profit	<u>81,556</u>	<u>23,137</u>

UK corporation tax has been charged at 20% (2015 - 20%).

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:

	2016	2015
	£	£
Profit before tax	<u>442,633</u>	<u>82,783</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	88,527	16,557
Effects of:		
Expenses not deductible for tax purposes	25,583	14,397
Adjustments to tax charge in respect of previous periods	(2,005)	(184)
Loss and indexation relief on chargeable gains	-	(6,462)
Marginal relief	-	(4,566)
Taxation on revalued assets	(25,847)	3,395
Subsidiary income and provisions	<u>(4,702)</u>	<u>-</u>
Total tax charge	<u>81,556</u>	<u>23,137</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 1 October 2016.

	Gross	2015 Tax	Net
	£	£	£
Revaluation of property and plant	302,280	(56,617)	245,663
	<u>302,280</u>	<u>(56,617)</u>	<u>245,663</u>

Notes to the Financial Statements - continued
For The Year Ended 1 October 2016

9. DIVIDENDS

	2016 £	2015 £
Ordinary Shares shares of £1 each		
Interim	185,502	367,111

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST OR VALUATION			
At 2 October 2015	1,233,236	3,751,037	81,479
Additions	140,816	727,034	2,570
Disposals	-	(35,500)	-
At 1 October 2016	1,374,052	4,442,571	84,049
DEPRECIATION			
At 2 October 2015	56,721	1,213,234	38,810
Charge for year	36,569	374,069	20,393
Eliminated on disposal	-	(21,961)	-
Reclassification/transfer	-	-	-
At 1 October 2016	93,290	1,565,342	59,203
NET BOOK VALUE			
At 1 October 2016	1,280,762	2,877,229	24,846
At 1 October 2015	1,176,515	2,537,803	42,669
	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION			
At 2 October 2015	261,845	-	5,327,597
Additions	44,126	8,663	923,209
Disposals	-	-	(35,500)
Reclassification/transfer	(17,821)	-	(17,821)
At 1 October 2016	288,150	8,663	6,197,485
DEPRECIATION			
At 2 October 2015	89,476	-	1,398,241
Charge for year	40,051	1,425	472,507
Eliminated on disposal	-	-	(21,961)
Reclassification/transfer	(17,821)	-	(17,821)
At 1 October 2016	111,706	1,425	1,830,966
NET BOOK VALUE			
At 1 October 2016	176,444	7,238	4,366,519
At 1 October 2015	172,369	-	3,929,356

Included in cost or valuation of land and buildings is freehold land of £569,695 (2015 - £539,695) which is not depreciated.

Notes to the Financial Statements - continued
For The Year Ended 1 October 2016

10. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 1 October 2016 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £
Valuation in 2015	-	800,000	-
Valuation in 2013	970,000	-	-
Valuation in 2011	-	740,000	-
Cost	404,052	2,902,571	84,049
	<u>1,374,052</u>	<u>4,442,571</u>	<u>84,049</u>
	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2015	-	-	800,000
Valuation in 2013	-	-	970,000
Valuation in 2011	-	-	740,000
Cost	288,150	8,663	3,687,485
	<u>288,150</u>	<u>8,663</u>	<u>6,197,485</u>

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

Cost £2,226,867 (2015 £2,086,051)

Aggregate Depreciation £532,274 (2015 £393,424)

Net book value £1,694,593 (2015 £1,692,627)

Plant and machinery includes static plant at a written down value of £1,078,324 (2015 £1,175,037) that have been revalued by the directors at depreciated replacement cost.

The land and buildings were revalued on 16th December 2013 as it is the directors' belief that this provides a true and fair view of their value. Properties to the value of £885,000 were valued by Grice & Hunter (Chartered Surveyors) on an open market existing use basis. A further property to the value of £85,000 was valued by the directors at the same time.

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 2 October 2015	1,303,121	218,299	1,521,420
Additions	587,499	40,626	628,125
Reclassification/transfer	142,750	(17,821)	124,929
At 1 October 2016	<u>2,033,370</u>	<u>241,104</u>	<u>2,274,474</u>
DEPRECIATION			
At 2 October 2015	181,212	52,415	233,627
Charge for year	152,870	33,800	186,670
Reclassification/transfer	80,888	(7,824)	73,064
At 1 October 2016	<u>414,970</u>	<u>78,391</u>	<u>493,361</u>
NET BOOK VALUE			
At 1 October 2016	<u>1,618,400</u>	<u>162,713</u>	<u>1,781,113</u>
At 1 October 2015	<u>1,121,909</u>	<u>165,884</u>	<u>1,287,793</u>

Notes to the Financial Statements - continued
For The Year Ended 1 October 2016

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 2 October 2015 and 1 October 2016	20,051
PROVISIONS	
Impairments	19,951
At 1 October 2016	19,951
NET BOOK VALUE	
At 1 October 2016	100
At 1 October 2015	20,051

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Morris Metal Limited

Registered office:

Nature of business: Scrap Metal Merchants

	% holding	2016 £	2015 £
Class of shares:			
Ordinary	100.00	100	41,559
Aggregate capital and reserves		2,006	796
Profit for the year			

Morris Metal Limited ceased trading in 2015.

12. STOCKS

	2016 £	2015 £
Stocks	772,015	752,814

The cost of stock expensed during the year was £3,692,918 (2015 £9,416,472)

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	2,988,721	1,721,787
Other debtors	95,381	435,437
Tax	-	41,262
Prepayments and accrued income	896	35,742
	3,084,998	2,234,228

Notes to the Financial Statements - continued
For The Year Ended 1 October 2016

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts (see note 16)	58,336	251,416
Other loans (see note 16)	2,416,170	2,049,714
Hire purchase contracts (see note 17)	497,257	320,562
Trade creditors	2,116,354	1,669,610
Amounts owed to group undertakings	100	1,089
Taxation	99,793	-
Social security and other taxes	91,577	16,015
Other creditors	147,954	7,862
Directors' current accounts	97,193	45,196
Accruals and deferred income	111,360	22,298
	<u>5,636,094</u>	<u>4,383,762</u>

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

	2016	2015
	£	£
Bank loans (see note 16)	562,488	620,824
Hire purchase contracts (see note 17)	819,256	660,994
	<u>1,381,744</u>	<u>1,281,818</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2016	2015
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	193,080
Bank loans	58,336	58,336
Other loans	2,416,170	2,049,714
	<u>2,474,506</u>	<u>2,301,130</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>422,488</u>	<u>58,336</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>140,000</u>	<u>562,488</u>

Other loans comprise an invoice discounting facility.

17. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2016	2015
	£	£
Net obligations repayable:		
Within one year	497,257	320,562
Between one and five years	819,256	660,994
	<u>1,316,513</u>	<u>981,556</u>

Notes to the Financial Statements - continued
For The Year Ended 1 October 2016

18. SECURED DEBTS

The following secured debts are included within creditors:

	2016 £	2015 £
Bank loans	620,824	679,160
Hire purchase contracts	1,316,513	981,556
Invoice Discounting	2,416,170	2,049,714
	<u>4,353,507</u>	<u>3,710,430</u>

The bank loans (and overdraft facilities) are secured against the business property and additionally there is a charge over the other assets of the company. Further security over the bank loans and overdraft facilities is provided by personal guarantees from the directors amounting to £400,000.

The bank loan comprises:

i) a 60 month £575,000 term loan at a variable interest rate of LIBOR plus margin at 3.25%. The bank loan is repayable by quarterly instalments and is due to be repaid in full by January 2018.

ii) a 60 month £200,000 term loan at a variable interest rate of LIBOR plus margin at 3.25%. The bank loan is repayable by quarterly instalments and is due to be repaid in full by July 2020.

Finance leases and hire purchase creditors are secured on the assets concerned.

The invoice discounting facility is secured by an all asset debenture, a joint and several guarantee from the directors amounting to £300,000 and a guarantee from A E Morris Limited.

19. PROVISIONS FOR LIABILITIES

	2016 £	2015 £
Deferred tax		
Accelerated capital allowances	288,612	274,835
Other timing differences	35,001	66,592
	<u>323,613</u>	<u>341,427</u>
		Deferred tax
		£
Balance at 2 October 2015		341,427
Provided during year		(15,809)
Adjustment re prior year		(2,005)
Balance at 1 October 2016		<u>323,613</u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2016 £	2015 £
Number:	Class:	Nominal value:		
250	Ordinary Shares	£1	<u>250</u>	<u>250</u>

Notes to the Financial Statements - continued
For The Year Ended 1 October 2016

21. RESERVES

	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 2 October 2015	286,484	647,636	250	934,370
Profit for the year	361,077			361,077
Dividends	(185,502)			(185,502)
Transfer	27,489	(27,489)	-	-
At 1 October 2016	<u>489,548</u>	<u>620,147</u>	<u>250</u>	<u>1,109,945</u>

22. CONTINGENT LIABILITIES

The parent company has provided a guarantee under section 479C of the Companies Act 2006 for all outstanding liabilities to which Morris Metal Limited, the subsidiary company is subject at the period end. As at 1 October 2016, Morris Metal Limited had no gross liabilities (2015 £22,937),

23. OTHER FINANCIAL COMMITMENTS

At 1 October 2016 the company had total annual commitments under non-cancellable operating leases with an expiry date of 22 December 2016 amounting to £7,959 (2015 £42,959).

24. RELATED PARTY DISCLOSURES

During the year, total dividends of £165,370 were paid to the directors.

Amounts totalling £87,450 (2015 £45,195) were owing to directors of the company.

An amount of £111,312 was owing to a company of which a director is the major shareholder (2015 £342,655 debtor)

A company in which a director is the major shareholder has provided an unlimited guarantee and indemnity for the company in respect of the invoice discounting facility.

A bank loan given to the Pension Scheme of a director has been secured on one of the company's properties. The balance outstanding on the loan at the year end was £35,083 (2015 £55,083)

An amount of £10,136 (2015 £6,587) was due to the spouse of a director at the year end.

An amount of £80,000 (2015 £50,000) was owed to the company at the year end by a Limited Liability Partnership in which the directors are members.

All other transactions with these and other related parties are considered to be under normal market conditions.

25. FIRST YEAR ADOPTION

This is the first year the company has adopted Financial Reporting Standard 102.

The main impact was that deferred taxation that relates to timing differences that arise from the revaluation of fixed assets have now been provided.

The effect of this can be shown on the "Reconciliation of Equity" notes on pages 21 and 22.

Transitional relief

On transition to FRS 102, the company has taken advantage of the following transitional relief:

- to use a previous GAAP revaluation as deemed cost on an item of property, plant and equipment.

Reconciliation of Equity
2 October 2014
(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		2,689,986	-	2,689,986
Investments		20,051	-	20,051
		<u>2,710,037</u>	<u>-</u>	<u>2,710,037</u>
CURRENT ASSETS				
Stocks		434,907	-	434,907
Debtors		4,507,026	-	4,507,026
Cash at bank and in hand		881,821	-	881,821
		<u>5,823,754</u>	<u>-</u>	<u>5,823,754</u>
CREDITORS				
Amounts falling due within one year		(6,494,054)	-	(6,494,054)
NET CURRENT LIABILITIES		<u>(670,300)</u>	<u>-</u>	<u>(670,300)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,039,737	-	2,039,737
CREDITORS				
Amounts falling due after more than one year		(823,088)	-	(823,088)
PROVISIONS FOR LIABILITIES		<u>(210,252)</u>	<u>(23,840)</u>	<u>(234,092)</u>
NET ASSETS		<u>1,006,397</u>	<u>(23,840)</u>	<u>982,557</u>
CAPITAL AND RESERVES				
Called up share capital		250	-	250
Revaluation reserve		438,572	(23,840)	414,732
Capital redemption reserve		250	-	250
Retained earnings		567,325	-	567,325
SHAREHOLDERS' FUNDS		<u>1,006,397</u>	<u>(23,840)</u>	<u>982,557</u>

The notes form part of these financial statements

Reconciliation of Equity - continued
1 October 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		3,929,356	-	3,929,356
Investments		20,051	-	20,051
		<u>3,949,407</u>	<u>-</u>	<u>3,949,407</u>
CURRENT ASSETS				
Stocks		752,814	-	752,814
Debtors		2,234,228	-	2,234,228
Cash at bank and in hand		5,178	-	5,178
		<u>2,992,220</u>	<u>-</u>	<u>2,992,220</u>
CREDITORS				
Amounts falling due within one year		(4,383,762)	-	(4,383,762)
NET CURRENT LIABILITIES		<u>(1,391,542)</u>	<u>-</u>	<u>(1,391,542)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,557,865	-	2,557,865
CREDITORS				
Amounts falling due after more than one year		(1,281,818)	-	(1,281,818)
PROVISIONS FOR LIABILITIES		<u>(274,835)</u>	<u>(66,592)</u>	<u>(341,427)</u>
NET ASSETS		<u>1,001,212</u>	<u>(66,592)</u>	<u>934,620</u>
CAPITAL AND RESERVES				
Called up share capital		250	-	250
Revaluation reserve		714,228	(66,592)	647,636
Capital redemption reserve		250	-	250
Retained earnings		286,484	-	286,484
SHAREHOLDERS' FUNDS		<u>1,001,212</u>	<u>(66,592)</u>	<u>934,620</u>

The notes form part of these financial statements

Reconciliation of Profit
For The Year Ended 1 October 2015

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	13,792,776	-	13,792,776
Cost of sales	(12,483,265)	-	(12,483,265)
GROSS PROFIT	1,309,511	-	1,309,511
Administrative expenses	(1,292,146)	-	(1,292,146)
OPERATING PROFIT	17,365	-	17,365
Interest receivable and similar income	150,600	-	150,600
Interest payable and similar expenses	(85,182)	-	(85,182)
PROFIT BEFORE TAXATION	82,783	-	82,783
Tax on profit	(23,137)	-	(23,137)
PROFIT FOR THE FINANCIAL YEAR	59,646	-	59,646

The notes form part of these financial statements