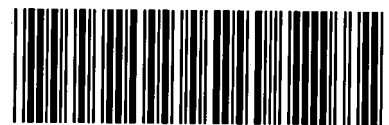


Morris & Co. (Handlers) Limited

Strategic Report, Report of the Directors and

Financial Statements For The Year Ended 1 October 2017

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For The Year Ended 1 October 2017

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Morris & Co. (Handlers) Limited

Company Information
For The Year Ended 1 October 2017

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 2017

The directors present their strategic report for the year ended 1 October 2017.

REVIEW OF BUSINESS

During the year the company moved its South Wales branch from Llandow to Neath.

In addition it opened up another branch in Doncaster.

The 2017 profit before tax was reduced to £347,962 from £442,633 in the year to 1 October 2016.

The capital and reserves at the end of the year amounted to £1,406,277 (2016 £1,110,195).

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.

KEY PERFORMANCE INDICATORS

In the year to 1 October 2017 the company employed 32 people (27 in 2016) producing a turnover of £17,032,343 (2016 £9,159,792) . The turnover shows an increase of 86 % compared with the previous year. The increase in turnover was largely due to the increase in demand from UK markets

ON BEHALF OF THE BOARD:



T E Morris - Director

22 June 2018

Report of the Directors
For The Year Ended 1 October 2017

The directors present their report with the financial statements of the company for the year ended 1 October 2017.

DIVIDENDS

The total distribution of interim dividends for the year ended 1 October 2017 was £Nil (2016 £185,502)

The directors recommend that no final dividend be paid.

FUTURE DEVELOPMENTS

The directors constantly review opportunities to improve profitability and performance but have no future developments planned for the company at this time.

DIRECTORS

The directors shown below have held office during the whole of the period from 2 October 2016 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

22 June 2018

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

Opinion

We have audited the financial statements of Morris & Co. (Handlers) Limited (the 'company') for the year ended 1 October 2017 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 October 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

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

Responsibilities of directors

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, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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.



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

22 June 2018

Morris & Co. (Handlers) Limited

Statement of Income and Retained Earnings
For The Year Ended 1 October 2017

	Notes	2017	2016
		£	£
TURNOVER	3	17,032,343	9,159,792
Cost of sales		15,511,991	7,675,034
GROSS PROFIT		1,520,352	1,484,758
Administrative expenses		1,019,547	926,526
OPERATING PROFIT	5	500,805	558,232
Income from shares in group undertakings		-	43,465
Interest receivable and similar income		347	53
		347	43,518
		501,152	601,750
Amounts written off investments	6	-	19,951
		501,152	581,799
Interest payable and similar expenses	7	153,190	139,166
PROFIT BEFORE TAXATION		347,962	442,633
Tax on profit	8	51,880	81,556
PROFIT FOR THE FINANCIAL YEAR		296,082	361,077
Retained earnings at beginning of year		489,548	286,484
Dividends	9	-	(185,502)
RETAINED EARNINGS AT END OF YEAR		785,630	462,059

The notes form part of these financial statements

Balance Sheet
1 October 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	10	4,725,406	4,366,519
Investments	11	100	100
		<u>4,725,506</u>	<u>4,366,619</u>
CURRENT ASSETS			
Stocks	12	751,729	772,015
Debtors	13	4,676,851	3,084,998
Cash at bank and in hand		724,612	228,014
		<u>6,153,192</u>	<u>4,085,027</u>
CREDITORS			
Amounts falling due within one year	14	8,198,071	5,636,094
NET CURRENT LIABILITIES		<u>(2,044,879)</u>	<u>(1,551,067)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,680,627</u>	<u>2,815,552</u>
CREDITORS			
Amounts falling due after more than one year	15	(974,097)	(1,381,744)
PROVISIONS FOR LIABILITIES	19	(300,253)	(323,613)
NET ASSETS		<u><u>1,406,277</u></u>	<u><u>1,110,195</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	250	250
Revaluation reserve	21	597,788	620,147
Capital redemption reserve	21	250	250
Retained earnings	21	807,989	489,548
SHAREHOLDERS' FUNDS		<u><u>1,406,277</u></u>	<u><u>1,110,195</u></u>

The financial statements were approved by the Board of Directors on 22 June 2018 and were signed on its behalf by:



T E Morris - Director

Morris & Co. (Handlers) Limited

Cash Flow Statement
For The Year Ended 1 October 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	248,174	884,505
Interest paid		(63,285)	(60,422)
Interest element of hire purchase payments paid		(89,905)	(78,744)
Tax paid		(99,369)	41,685
Net cash from operating activities		<u>(4,385)</u>	<u>787,024</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(281,537)	(178,101)
Sale of tangible fixed assets		106,649	-
Interest received		347	53
Dividends received		-	43,465
Net cash from investing activities		<u>(174,541)</u>	<u>(134,583)</u>
Cash flows from financing activities			
Loan repayments in year		(58,336)	(58,336)
Invoice financing		1,302,302	366,456
Subsidiary loan		-	(989)
Capital repayments in year		(581,143)	(410,151)
Amount introduced by directors		60,634	-
Amount withdrawn by directors		(47,933)	51,997
Equity dividends paid		-	(185,502)
Net cash from financing activities		<u>675,524</u>	<u>(236,525)</u>
Increase in cash and cash equivalents		<u>496,598</u>	<u>415,916</u>
Cash and cash equivalents at beginning of year	2	228,014	(187,902)
Cash and cash equivalents at end of year	2	<u><u>724,612</u></u>	<u><u>228,014</u></u>

The notes form part of these financial statements

Morris & Co. (Handlers) Limited

Notes to the Cash Flow Statement
For The Year Ended 1 October 2017

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

	2017	2016
	£	£
Profit before taxation	347,962	442,633
Depreciation charges	529,631	472,507
Loss on disposal of fixed assets	60,923	13,539
Amounts written off investments	-	19,951
Finance costs	153,190	139,166
Finance income	(347)	(43,518)
	<hr/>	<hr/>
	1,091,359	1,044,278
Decrease/(increase) in stocks	20,286	(19,201)
Increase in trade and other debtors	(1,591,853)	(892,032)
Increase in trade and other creditors	728,382	751,460
	<hr/>	<hr/>
Cash generated from operations	248,174	884,505
	<hr/>	<hr/>

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 2017

	1.10.17	2.10.16
	£	£
Cash and cash equivalents	724,612	228,014
	<hr/>	<hr/>

Year ended 1 October 2016

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

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 £774,553 (2016 £745,108).

Morris & Co. (Handlers) Limited
Notes to the Financial Statements
For The Year Ended 1 October 2017

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 twelve months from the date of this report and management accounts indicate these projections should be achieved. 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

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

Stocks

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

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Foreign currencies

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

Morris & Co. (Handlers) Limited

Notes to the Financial Statements - continued
For The Year Ended 1 October 2017

2. ACCOUNTING POLICIES - continued

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.

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:

	2017 £	2016 £
United Kingdom	16,750,335	8,577,181
Europe	282,008	582,611
	<u>17,032,343</u>	<u>9,159,792</u>

All turnover relates to the sale of goods.

4. EMPLOYEES AND DIRECTORS

	2017 £	2016 £
Wages and salaries	717,340	674,661
Social security costs	62,718	59,118
Other pension costs	8,208	54,708
	<u>788,266</u>	<u>788,487</u>

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

	2017	2016
Site operatives	27	22
Administration	5	5
	<u>32</u>	<u>27</u>

	2017 £	2016 £
Directors' remuneration	21,800	21,800
Directors' pension contributions to money purchase schemes	4,800	4,800
	<u>26,600</u>	<u>26,600</u>

Morris & Co. (Handlers) Limited

Notes to the Financial Statements - continued
For The Year Ended 1 October 2017

5. OPERATING PROFIT

The operating profit is stated after charging:

	2017	2016
	£	£
Hire of plant and machinery	108,788	83,152
Depreciation - owned assets	274,211	285,837
Depreciation - assets on hire purchase contracts	255,420	186,670
Loss on disposal of fixed assets	60,923	13,539
Auditors' remuneration	5,300	5,000
Operating leases - rent	29,959	35,000
	<u> </u>	<u> </u>

6. AMOUNTS WRITTEN OFF INVESTMENTS

	2017	2016
	£	£
Amount written off investment	-	19,951
	<u> </u>	<u> </u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank interest	4,118	3,994
Bank loan interest	25,010	29,272
Other interest	34,157	27,156
Hire purchase	89,905	78,744
	<u> </u>	<u> </u>
	153,190	139,166
	<u> </u>	<u> </u>

8. TAXATION

Analysis of the tax charge

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

	2017	2016
	£	£
Current tax:		
UK corporation tax	75,664	99,370
Adjustment for earlier years	(424)	-
	<u> </u>	<u> </u>
Total current tax	75,240	99,370
Deferred tax	(23,360)	(17,814)
	<u> </u>	<u> </u>
Tax on profit	51,880	81,556
	<u> </u>	<u> </u>

UK corporation tax has been charged at 19.52% (2016 - 20%).

Morris & Co. (Handlers) Limited

Notes to the Financial Statements - continued
For The Year Ended 1 October 2017

8. TAXATION - continued

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:

	2017 £	2016 £
Profit before tax	<u>347,962</u>	<u>442,633</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%)	66,113	88,527
Effects of:		
Expenses not deductible for tax purposes	29,018	25,583
Adjustments to tax charge in respect of previous periods	-	(2,005)
Fall in rate of corporation tax	(14,574)	-
Taxation on revalued assets	(28,677)	(25,847)
Subsidiary income and provisions	-	(4,702)
Total tax charge	<u>51,880</u>	<u>81,556</u>

9. DIVIDENDS

	2017 £	2016 £
Ordinary Shares shares of £1 each		
Interim	<u>-</u>	<u>185,502</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST OR VALUATION			
At 2 October 2016	1,374,052	4,442,571	84,049
Additions	-	764,987	2,667
Disposals	-	(393,238)	-
At 1 October 2017	<u>1,374,052</u>	<u>4,814,320</u>	<u>86,716</u>
DEPRECIATION			
At 2 October 2016	93,290	1,565,342	59,203
Charge for year	42,079	406,444	16,344
Eliminated on disposal	-	(227,560)	-
At 1 October 2017	<u>135,369</u>	<u>1,744,226</u>	<u>75,547</u>
NET BOOK VALUE			
At 1 October 2017	<u>1,238,683</u>	<u>3,070,094</u>	<u>11,169</u>
At 1 October 2016	<u>1,280,762</u>	<u>2,877,229</u>	<u>24,846</u>

Morris & Co. (Handlers) Limited

Notes to the Financial Statements - continued
For The Year Ended 1 October 2017

10. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION			
At 2 October 2016	305,971	8,663	6,215,306
Additions	287,420	1,016	1,056,090
Disposals	(3,500)	-	(396,738)
At 1 October 2017	<u>589,891</u>	<u>9,679</u>	<u>6,874,658</u>
DEPRECIATION			
At 2 October 2016	129,527	1,425	1,848,787
Charge for year	61,585	3,179	529,631
Eliminated on disposal	(1,606)	-	(229,166)
At 1 October 2017	<u>189,506</u>	<u>4,604</u>	<u>2,149,252</u>
NET BOOK VALUE			
At 1 October 2017	<u>400,385</u>	<u>5,075</u>	<u>4,725,406</u>
At 1 October 2016	<u>176,444</u>	<u>7,238</u>	<u>4,366,519</u>

Included in cost or valuation of land and buildings is freehold land of £569,695 (2016 - £569,695) which is not depreciated.

Cost or valuation at 1 October 2017 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £
Valuation in 2015	-	800,000	-
Valuation in 2013	970,000	-	-
Valuation in 2011	-	460,000	-
Cost	<u>404,052</u>	<u>3,554,320</u>	<u>86,716</u>
	<u>1,374,052</u>	<u>4,814,320</u>	<u>86,716</u>
	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2015	-	-	800,000
Valuation in 2013	-	-	970,000
Valuation in 2011	-	-	460,000
Cost	<u>589,891</u>	<u>9,679</u>	<u>4,644,658</u>
	<u>589,891</u>	<u>9,679</u>	<u>6,874,658</u>

Morris & Co. (Handlers) Limited

Notes to the Financial Statements - continued
For The Year Ended 1 October 2017

10. TANGIBLE FIXED ASSETS - continued

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

Cost £1,962,461 (2016 £2,226,867)

Aggregate Depreciation £484,346 (2016 £532,274)

Net book value £1,478,115 (2016 £1,694,593)

Plant and machinery includes static plant at a written down value of £850,672 (2016 £1,078,324) 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 2016	2,033,370	241,104	2,274,474
Additions	556,094	287,420	843,514
Disposals	(60,000)	-	(60,000)
Transfer to ownership	(240,287)	(64,598)	(304,885)
	<hr/>	<hr/>	<hr/>
At 1 October 2017	2,289,177	463,926	2,753,103
DEPRECIATION			
At 2 October 2016	414,970	78,391	493,361
Charge for year	202,977	52,443	255,420
Eliminated on disposal	(9,691)	-	(9,691)
Transfer to ownership	(78,527)	(59,611)	(138,138)
	<hr/>	<hr/>	<hr/>
At 1 October 2017	529,729	71,223	600,952
NET BOOK VALUE			
At 1 October 2017	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 1 October 2016	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 2 October 2016 and 1 October 2017	<hr/>
	20,051
PROVISIONS	
At 2 October 2016 and 1 October 2017	<hr/>
	19,951
NET BOOK VALUE	
At 1 October 2017	<hr/> <hr/>
	100
At 1 October 2016	<hr/> <hr/>
	100

Morris & Co. (Handlers) Limited

Notes to the Financial Statements - continued
For The Year Ended 1 October 2017

11. FIXED ASSET INVESTMENTS - continued

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

Morris Metal Limited

Registered office: Bankwood Lane Industrial Estate, Rossington. Doncaster DN11 0PS, United Kingdom

Nature of business: Dormant

	%		
Class of shares:	holding		
Ordinary	100.00		
		2017	2016
		£	£
Aggregate capital and reserves		100	100
Profit for the year		-	2,006
		<u> </u>	<u> </u>

Morris Metal Limited ceased trading in 2015 and was dissolved on 2 January 2018.

Morris Metal Limited is not material for the purpose of the financial statements giving a true and fair view and consolidated accounts have therefore not been prepared.

12. STOCKS

	2017	2016
	£	£
Stocks	751,729	772,015
	<u> </u>	<u> </u>

The cost of stock expensed during the year was £11,127,275 (2016 £3,692,918)

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	4,341,764	2,988,721
Other debtors	335,087	95,381
Prepayments and accrued income	-	896
	<u>4,676,851</u>	<u>3,084,998</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts (see note 16)	422,488	58,336
Other loans (see note 16)	3,718,472	2,416,170
Hire purchase contracts (see note 17)	675,826	497,257
Trade creditors	2,912,490	2,116,354
Amounts owed to group undertakings	100	100
Taxation	75,664	99,793
Social security and other taxes	212,452	91,577
Other creditors	39,549	147,954
Directors' current accounts	109,894	97,193
Accruals and deferred income	31,136	111,360
	<u>8,198,071</u>	<u>5,636,094</u>

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

	2017	2016
	£	£
Bank loans (see note 16)	140,000	562,488
Hire purchase contracts (see note 17)	834,097	819,256
	<u>974,097</u>	<u>1,381,744</u>

Morris & Co. (Handlers) Limited

Notes to the Financial Statements - continued
For The Year Ended 1 October 2017

16. LOANS

An analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year or on demand:		
Bank loans	422,488	58,336
Other loans	3,718,472	2,416,170
	<u>4,140,960</u>	<u>2,474,506</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>20,000</u>	<u>422,488</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>120,000</u>	<u>140,000</u>

Other loans comprise an invoice discounting facility.

17. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Net obligations repayable:		
Within one year	675,826	497,257
Between one and five years	834,097	819,256
	<u>1,509,923</u>	<u>1,316,513</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	2017 £	2016 £
Bank loans	562,488	620,824
Hire purchase contracts	1,509,923	1,316,513
Invoice Discounting	3,718,472	2,416,170
	<u>5,790,883</u>	<u>4,353,507</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 an entity controlled by a director.

Morris & Co. (Handlers) Limited

Notes to the Financial Statements - continued
For The Year Ended 1 October 2017

19. PROVISIONS FOR LIABILITIES

	2017 £	2016 £
Deferred tax		
Accelerated capital allowances	287,772	288,612
Other timing differences	12,481	35,001
	<u>300,253</u>	<u>323,613</u>
		Deferred tax £
Balance at 2 October 2016		323,613
Credit to Income Statement during year		<u>(23,360)</u>
Balance at 1 October 2017		<u>300,253</u>

20. CALLED UP SHARE CAPITAL

Number:	Class:	Nominal value: £1	2017 £	2016 £
250	Ordinary Shares		<u>250</u>	<u>250</u>

21. RESERVES

	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 2 October 2016	489,548	620,147	250	1,109,945
Profit for the year	296,082			296,082
Transfer	22,359	(22,359)	-	-
At 1 October 2017	<u>807,989</u>	<u>597,788</u>	<u>250</u>	<u>1,406,027</u>

22. CAPITAL COMMITMENTS

	2017 £	2016 £
Contracted but not provided for in the financial statements	<u>168,848</u>	<u>-</u>

23. OTHER FINANCIAL COMMITMENTS

At 1 October 2017 the company had minimum total annual commitments under non-cancellable operating leases as follows:

	2017 £	2016 £
Due within one year	15,000	7,959
Within 2 to 5 years	50,000	-
	<u>65,000</u>	<u>7,959</u>

Morris & Co. (Handlers) Limited

Notes to the Financial Statements - continued
For The Year Ended 1 October 2017

24. RELATED PARTY DISCLOSURES

Amounts totalling £109,894 (2016 £87,450) were owing to directors of the company.

Amounts owing from other related parties were £317,156 (2016 £80,000).

Amounts due to other related parties were £13,592 (2016 £121,448).

A related party has provided an unlimited guarantee and indemnity for the company in respect of the invoice discounting facility.

The company has provided security on a loan to an other related party, the balance outstanding on which at the year end was £15,083 (2016 £35,083)

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