

BOLTON BROTHERS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016



BOLTON BROTHERS LIMITED

COMPANY INFORMATION

Directors

M J Bolton
W H Bolton
O H J Bolton
J G P Bolton-Smith
R S J Bolton
M I J Bolton

Company secretary

J G P Bolton-Smith

Registered number

03745354

Registered office

Bramford Road
Great Blakenham
Ipswich
Suffolk
IP6 0SL

Independent auditors

Larking Gowen
Chartered Accountants & Statutory Auditors
1 Claydon Business Park
Great Blakenham
Ipswich
Suffolk
IP6 0NL

BOLTON BROTHERS LIMITED

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BOLTON BROTHERS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

Introduction

The principal activity of the Company continued to be that of recycling and waste management.

Business review

The Company has had another successful and profitable year, with both the results and financial position at the year end being considered satisfactory by the directors.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks affecting the Company are considered to relate to pricing, customer credit exposure, exchange rates and competition.

Financial key performance indicators

Given the straightforward nature of the business the directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on 21.10.2016

and signed on its behalf.



.....
M J Bolton
Director

BOLTON BROTHERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 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'. 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 for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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.

Results and dividends

The profit for the year, after taxation, amounted to £665,225 (2015 - £37,531 as restated).

Dividends of £383,400 (2015 - £351,450) were declared and paid during the year.

Directors

The directors who served during the year were:

M J Bolton
W H Bolton
O H J Bolton
J G P Bolton-Smith
R S J Bolton
M I J Bolton

Future developments

The directors do not expect any significant changes to the business in the coming years.

BOLTON BROTHERS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

Financial instruments

The company has exposures to three main areas of risk - foreign exchange currency exposure, liquidity risk and customer credit exposure.

Foreign exchange transactional currency exposure

The company is exposed to currency exchange rate risk due to its trade with businesses outside of the United Kingdom. The net exposure of each currency is monitored and managed by the use of currency accounts and forward rate arrangements with the bank, where necessary.

Pricing exposure

The company is exposed to the risk of competitors having lower prices than the company and therefore losing sales revenue due to this. This risk is mitigated by the relationships held with the customers.

Customer credit exposure

The company may offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. The company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

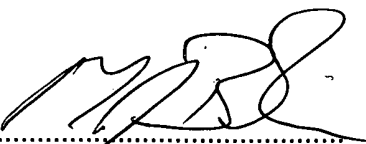
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

Under section 487(2) of the Companies Act 2006, Larking Gowen will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 21.10.2016 and signed on its behalf.


.....
M J Bolton
Director

BOLTON BROTHERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BOLTON BROTHERS LIMITED

We have audited the financial statements of Bolton Brothers Limited for the year ended 31 March 2016, which comprise the Statement of income and retained earnings, the Statement of financial position, the Statement of cash flows, and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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 an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' responsibilities statement on page 2, 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 31 March 2016 and of its profit or loss 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 matter prescribed by the Companies Act 2006

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

BOLTON BROTHERS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BOLTON BROTHERS LIMITED
(CONTINUED)**

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.

Other matters

The corresponding amounts in the financial statements for the prior year are unaudited.



Brian Pring FCA (Senior statutory auditor)

for and on behalf of

Larking Gowen

Chartered Accountants

Statutory Auditors

Ipswich

25 October 2016

BOLTON BROTHERS LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
Turnover	4	7,663,217	7,062,627
Cost of sales		(5,579,571)	(5,112,815)
Gross profit		2,083,646	1,949,812
Distribution costs		(366,870)	(459,421)
Administrative expenses		(812,449)	(878,097)
Exceptional administrative expenses		-	(408,724)
Other operating income		1,600	985
Operating profit	5	905,927	204,555
Interest receivable and similar income		14	165
Interest payable and expenses	9	(69,964)	(84,462)
Profit before tax		835,977	120,258
Tax on profit	10	(170,752)	(82,727)
Profit after tax		665,225	37,531
Retained earnings			
- as previously stated		2,732,914	2,638,109
- correction of a prior period error		(408,724)	-
At the beginning of the year as restated		2,324,190	2,638,109
Profit for the year		665,225	37,531
Dividends declared and paid		(383,400)	(351,450)
Retained earnings at the end of the year		2,606,015	2,324,190

The notes on pages 11 to 29 form part of these financial statements.

BOLTON BROTHERS LIMITED
REGISTERED NUMBER: 03745354

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

			2016	As restated
	Note	£	£	2015 £
Fixed assets				
Intangible assets	13		110,378	136,378
Tangible assets	14		4,715,067	4,854,568
Investments	15		1	1
			<u>4,825,446</u>	<u>4,990,947</u>
Current assets				
Stocks	16	166,101		82,865
Debtors: amounts falling due after more than one year	17	-		1,467
Debtors: amounts falling due within one year	17	1,274,081		1,245,146
Cash at bank and in hand	18	35,904		55,105
			<u>1,476,086</u>	<u>1,384,583</u>
Creditors: amounts falling due within one year	19	(2,374,736)		(2,512,632)
Net current liabilities			(898,650)	(1,128,049)
Total assets less current liabilities			<u>3,926,796</u>	<u>3,862,898</u>
Creditors: amounts falling due after more than one year	20		(990,055)	(1,193,138)
Provisions for liabilities				
Deferred tax	24		(130,726)	(145,570)
Net assets			<u><u>2,806,015</u></u>	<u><u>2,524,190</u></u>
Capital and reserves				
Called up share capital	25		200,000	200,000
Profit and loss account	26		2,606,015	2,324,190
			<u><u>2,806,015</u></u>	<u><u>2,524,190</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

BOLTON BROTHERS LIMITED
REGISTERED NUMBER: 03745354

STATEMENT OF FINANCIAL POSITION (continued)
AS AT 31 MARCH 2016



.....
M J Bolton
Director

Date: 21.10.2016

The notes on pages 11 to 29 form part of these financial statements.

BOLTON BROTHERS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	665,225	37,531
Adjustments for:		
Amortisation of intangible assets	26,000	26,000
Depreciation of tangible assets	366,389	397,420
Profit on disposal of tangible assets	(30,417)	(2,496)
(Increase)/decrease in stocks	(83,236)	26,481
Interest paid	69,964	84,462
Interest received	(14)	(165)
Corporation tax charge	170,752	82,727
Increase in debtors	(27,468)	(273,598)
(Decrease)/increase in creditors	(227,890)	626,975
Corporation tax paid	(47,679)	(125,600)
Net cash generated from operating activities	881,626	879,737
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(738)
Purchase of tangible fixed assets	(121,412)	(139,061)
Sale of tangible fixed assets	30,550	34,000
Interest received	14	165
HP interest paid	(16,597)	(24,314)
Net cash from investing activities	(107,445)	(129,948)

BOLTON BROTHERS LIMITED

STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED 31 MARCH 2016

	2016 £	2015 £
Cash flows from financing activities		
Repayment of loans	(165,098)	(188,419)
Repayment of/new finance leases	(149,977)	(169,238)
Dividends paid	(383,400)	(351,450)
Interest paid	(53,367)	(60,148)
Net cash used in financing activities	(751,842)	(769,255)
Net increase/(decrease) in cash and cash equivalents	22,339	(19,466)
Cash and cash equivalents at beginning of year	(179,370)	(159,904)
Cash and cash equivalents at the end of year	(157,031)	(179,370)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	35,904	55,105
Bank overdrafts	(192,935)	(234,475)
	(157,031)	(179,370)

BOLTON BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. General information

Bolton Brothers Limited is a company incorporated in England and Wales, registered number 03745354. The registered office is Bramford Road, Great Blakenham, Ipswich, Suffolk, IP6 0SL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 32.

The financial statements are presented in Sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

BOLTON BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.3 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Income statement over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold buildings	- 2.5%
Plant and machinery	- 10%
Motor vehicles	- 20%
Fixtures, fittings and equipment	- 10%
Computer equipment	- 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

BOLTON BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on an estimated selling price less an anticipated margin, to determine the best estimate of cost.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from banks and other third parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

BOLTON BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income statement within 'other operating income'.

2.12 Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

BOLTON BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Interest income

Interest income is recognised in the Income statement using the effective interest method.

2.17 Borrowing costs

All borrowing costs are recognised in the Income statement in the year in which they are incurred.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

BOLTON BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.20 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

BOLTON BROTHERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The judgements, estimates and assumptions which have significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below:

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, the directors consider factors including the current credit rating of the customer, the ageing profile of the debtors and historical experience. See note 19 for the net carrying amount of the debtors and associated impairment provision.

Stock valuation

An estimate is made for the anticipated gross margin on the sale of year end stocks, to determine the cost price using the sales value as a basis. When assessing this the directors consider market conditions, as well as margins achieved in previous sales. See note 18 for the carrying value of stock.

4. Turnover

The whole of the turnover is attributable to the primary activity of the Company.

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	4,128,606	4,376,037
Rest of the world	3,534,611	2,686,590
	<u>7,663,217</u>	<u>7,062,627</u>

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets - owned	276,384	298,125
Depreciation of tangible fixed assets - leased	90,005	99,295
Amortisation of intangible assets, including goodwill	26,000	26,000
(Profit)/loss on foreign exchange	(15,942)	21,306
Defined contribution pension cost	1,489	-
Operating lease payments	23,985	13,500
	<u>23,985</u>	<u>13,500</u>

BOLTON BROTHERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

6. Auditors' remuneration

	2016	2015
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	5,000	-

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016	2015
	£	£
Wages and salaries	961,497	928,278
Social security costs	77,872	75,030
Cost of defined contribution scheme	1,489	-
	1,040,858	1,003,308

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

	2016	2015
	No.	No.
Cost of sales	29	29
Administration	10	9
Security	2	3
	41	41

8. Directors' remuneration

	2016	2015
	£	£
Directors' emoluments	130,807	127,586
	130,807	127,586

BOLTON BROTHERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

9. Interest payable and similar charges

	2016	2015
	£	£
Bank interest payable	6,802	5,975
Mortgage interest payable	46,581	54,173
Finance leases and hire purchase contracts	16,597	24,314
Other interest payable	(16)	-
	<u>69,964</u>	<u>84,462</u>

10. Taxation

	2016	<i>As restated</i> 2015
	£	£
Corporation tax		
Current tax on profits for the year	185,580	47,663
Adjustments in respect of previous periods	16	57
Total current tax	<u>185,596</u>	<u>47,720</u>
Deferred tax		
Origination and reversal of timing differences	(287)	(14,421)
Changes to tax rates	(14,557)	49,428
Total deferred tax	<u>(14,844)</u>	<u>35,007</u>
Taxation on profit on ordinary activities	<u>170,752</u>	<u>82,727</u>

BOLTON BROTHERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

10. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2015 - *higher than*) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>835,977</u>	<u>120,258</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	167,195	24,052
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	18,066	19,700
Adjustments to tax charge in respect of prior periods	16	57
Deferred tax not recognised	-	61,340
Changes in tax rates	(14,525)	(22,422)
Total tax charge for the year	<u>170,752</u>	<u>82,727</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

	2016 £	2015 £
Dividends paid on equity capital	<u>383,400</u>	<u>351,450</u>

12. Exceptional items

	2016 £	2015 £
Settlement of claim	<u>-</u>	<u>408,724</u>

BOLTON BROTHERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

13. Intangible assets

	Trademarks and patents £	Goodwill £	Total £
Cost			
At 1 April 2015	5,451	520,000	525,451
At 31 March 2016	5,451	520,000	525,451
Amortisation			
At 1 April 2015	-	389,073	389,073
Charge for the year	-	26,000	26,000
At 31 March 2016	-	415,073	415,073
Net book value			
At 31 March 2016	5,451	104,927	110,378
At 31 March 2015	5,451	130,927	136,378

BOLTON BROTHERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

14. Tangible fixed assets

	Freehold land and buildings £	Plant & machinery £	Motor vehicles £	Other fixed assets £	Total £
Cost or valuation					
At 1 April 2015	3,614,417	3,049,305	1,174,305	276,161	8,114,188
Additions	-	207,763	3,050	16,208	227,021
Disposals	-	(484)	(107,085)	-	(107,569)
At 31 March 2016	3,614,417	3,256,584	1,070,270	292,369	8,233,640
Depreciation					
At 1 April 2015	157,540	1,916,148	955,542	230,390	3,259,620
Charge owned for the period	42,512	218,470	85,620	19,787	366,389
Disposals	-	(351)	(107,085)	-	(107,436)
At 31 March 2016	200,052	2,134,267	934,077	250,177	3,518,573
Net book value					
At 31 March 2016	3,414,365	1,122,317	136,193	42,192	4,715,067
At 31 March 2015	3,456,877	1,133,157	218,763	45,771	4,854,568

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Plant and machinery	396,444	405,368
Motor vehicles	109,292	149,036
	<u>505,736</u>	<u>554,404</u>

Freehold land costing £1,911,514 (2015 - £1,911,514) is not depreciated.

BOLTON BROTHERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

15. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2015	1
At 31 March 2016	1
Net book value	
At 31 March 2016	1
At 31 March 2015	1

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Bolton Waste Disposal Limited	United Kingdom	Ordinary	100 %	Dormant company

The aggregate of the share capital and reserves as at 31 March 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £
Bolton Waste Disposal Limited	1

BOLTON BROTHERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

16. Stocks

	2016 £	2015 £
Finished goods and goods for resale	166,101	82,865
	<u>166,101</u>	<u>82,865</u>

Stock recognised in cost of sales during the year as an expense was £3,470,523 (2015 - £3,136,481).

17. Debtors

	2016 £	2015 £
Due after more than one year		
Other debtors	-	1,467
	<u>-</u>	<u>1,467</u>

	2016 £	2015 £
Due within one year		
Trade debtors	924,592	992,535
Other debtors	93,667	20,586
Prepayments and accrued income	255,822	232,025
	<u>1,274,081</u>	<u>1,245,146</u>

An impairment loss of £2,392 (2015 - £22,687) was recognised against trade debtors.

18. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	35,904	55,105
Less: bank overdrafts	(192,935)	(234,475)
	<u>(157,031)</u>	<u>(179,370)</u>

BOLTON BROTHERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

19. Creditors: Amounts falling due within one year

	2016	<i>As restated</i>
	£	2015
		£
Bank overdrafts	192,935	234,475
Bank loans	161,018	163,758
Trade creditors	1,147,648	1,047,757
Corporation tax	185,580	47,663
Taxation and social security	41,608	20,854
Obligations under finance lease and hire purchase contracts	145,240	148,883
Other creditors	354,610	342,169
Accruals and deferred income	146,097	507,073
	2,374,736	2,512,632

Details of security is given in the following note.

20. Creditors: Amounts falling due after more than one year

	2016	2015
	£	£
Bank loans	804,588	966,946
Net obligations under finance leases and hire purchase contracts	185,467	226,192
	990,055	1,193,138

Secured loans

Banks loans and overdrafts are secured by first legal charges over the freehold property owned by the company and a debenture over all freehold property dated 8 January 2001. The aggregate amount of bank loans and overdrafts for which security has been given amounted to £1,158,541 (2015 - £1,365,179).

The net obligations under finance leases and hire purchase contracts are secured against the respective assets. The aggregate amount of net obligations under finance leases and hire purchase contracts for which security has been given amounted to £330,707 (2015 - £375,075).

BOLTON BROTHERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

21. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Bank loans	161,018	163,758
	<u>161,018</u>	<u>163,758</u>
Amounts falling due 2-5 years		
Bank loans	682,245	665,296
	<u>682,245</u>	<u>665,296</u>
Amounts falling due after more than 5 years		
Bank loans	122,343	301,650
	<u>122,343</u>	<u>301,650</u>

22. Hire purchase & finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within one year	145,240	148,883
Between 1-2 years	86,321	111,837
Between 2-5 years	99,146	114,355
	<u>330,707</u>	<u>375,075</u>

BOLTON BROTHERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

23. Financial instruments

	2016 £	2015 £
Financial assets		
Cash	35,904	55,105
Financial assets that are debt instruments measured at amortised cost	1,018,259	1,014,588
	<u>1,054,163</u>	<u>1,069,693</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(3,137,603)	(3,637,253)
	<u>(3,137,603)</u>	<u>(3,637,253)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade and other debtors.

Financial Liabilities measured at amortised cost comprise trade creditors, bank loans and overdrafts, accruals, amounts owed under finance leases and other creditors.

24. Deferred taxation

	2016 £	2015 £
At beginning of year	(145,570)	(110,563)
Charged to the profit or loss	14,844	(35,007)
At end of year	<u>(130,726)</u>	<u>(145,570)</u>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(130,726)	(145,570)
	<u>(130,726)</u>	<u>(145,570)</u>

The amount of the net reversal of deferred tax expected to occur next year is £41,415 (2015 - £14,844), relating to the reversal of existing timing differences on tangible fixed assets.

BOLTON BROTHERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

25. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

26. Reserves**Profit & loss account**

The profit and loss account includes all current and prior period retained earnings.

27. Prior year adjustment

A prior year adjustment has been made to the financial statements in relation to the settlement of a claim during the year for an incident which occurred in the year to 31 March 2015.

This adjustment has resulted in an additional cost of £408,724 which has been included in the Income Statement as an exceptional administrative expense and as an accrual within the previous year.

A corporation tax adjustment has also been made for the amount repayable due to this revision to the prior year profit. Accordingly, the corporation tax charge and liability have been adjusted by £86,100.

28. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,489 (2015 - £nil).

29. Commitments under operating leases

At 31 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	21,000	21,000
Later than 1 year and not later than 5 years	14,000	35,000
Total	<u>35,000</u>	<u>56,000</u>

BOLTON BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

30. Related party transactions

During the year two directors each received dividends totaling £115,020 (2015 - £105,435) and four directors each received dividends totaling £38,340 (2015 - £35,145).

During the year rent of £23,985 (2015 - £13,500) and insurance of £1,148 (2015 - £1,213) was paid to the pension plan of two of the directors.

Included within other creditors are amounts owing to two of the directors of £35,966 each (2015 - 5,060), another director of £nil (2015 - £1,631), and the other 3 directors of £nil (2015 - £nil).

Included within other creditors is a loan from one of the directors for £281,467 (2015 - £329,996).

The total key management personnel compensation in 2016 and 2015 is equal to directors' remuneration and can be found in note 8, the related national insurance contributions of which equals £9,656 (2015 - £9,580).

31. Controlling party

The Company is controlled by M J Bolton and W H Bolton, by virtue of their majority shareholdings.

32. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.