

Company Registration No. 04282969 (England and Wales)

**HAWKESWOOD METAL RECYCLING LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2016**



# HAWKESWOOD METAL RECYCLING LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr W A Hawkeswood Mr G Woodhouse
<b>Company number</b>	04282969
<b>Registered office</b>	Riverside Works Trevor Street Nechells Birmingham B7 5RG
<b>Auditor</b>	Trevor Jones & Co Old Bank Chambers 582-586 Kingsbury Road Erdington Birmingham B24 9ND
<b>Business address</b>	Riverside Works Trevor Street Nechells Birmingham B7 5RG

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# **HAWKESWOOD METAL RECYCLING LIMITED**

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# HAWKESWOOD METAL RECYCLING LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 APRIL 2016**

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

### **Fair review of the business**

We aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. Our review is consistent with the size and noncomplex nature of the business and is written in the context of the risks and uncertainties we face.

The company has faced a very challenging market place in the year due to the volatility of commodity prices. This has had a significant affect on worldwide demand and the company has seen its turnover reduce by circa 28%. Even though margins achieved have been slightly better than in previous periods due to this price volatility. Overall the company is pleased to report a small trading profit even though the results are not wholly satisfactory.

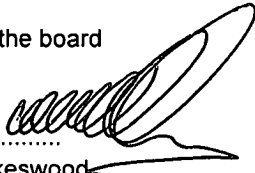
In order to reduce the business risk at 1 May 2016 it was decided that the metal shredding part of the business would be taken over by another one of the group companies. This will then leave this company to concentrate solely on smaller and faster moving items. The directors are of the opinion this will enable the company to return to a higher level of profitability.

### **Principal risks and uncertainties**

As for many businesses of our size, the business environment in which we operate continues to be challenging. The market is competitive and price volatility means margins continue to be tight.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

On behalf of the board



.....  
Mr W A Hawkeswood

Director

22/11/17.....

# HAWKESWOOD METAL RECYCLING LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 30 APRIL 2016**

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

### Principal activities

The principal activity of the company continued to be that of metal recycling.

There were no significant changes in the nature of these activities during the year.

### Directors

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

Mr W A Hawkeswood

Mr G Woodhouse

### Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### Research and development

The company is not involved in any research and development activities.

### Future developments

There were no important events that have occurred since the year end.

The company's aim is for future growth based on further investment in its core activities.

### Auditor

In accordance with the company's articles, a resolution proposing that Trevor Jones & Co be reappointed as auditor of the company will be put at a General Meeting.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

.....  
Mr W A Hawkeswood

Director

22/11/17

# **HAWKESWOOD METAL RECYCLING LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 APRIL 2016***

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

# **HAWKESWOOD METAL RECYCLING LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF HAWKESWOOD METAL RECYCLING LIMITED**

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We have audited the financial statements of Hawkeswood Metal Recycling Limited for the year ended 30 April 2016 set out on pages 6 to 24. 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 FRS 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

# HAWKESWOOD METAL RECYCLING LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF HAWKESWOOD METAL RECYCLING LIMITED

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#### 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.

*Trevor Jones & Co*

Adrian McKeown (Senior Statutory Auditor)  
for and on behalf of Trevor Jones & Co

22/11/17

Chartered Accountants  
Statutory Auditor

Old Bank Chambers  
582-586 Kingsbury Road  
Erdington  
Birmingham  
B24 9ND



# HAWKESWOOD METAL RECYCLING LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 30 APRIL 2016

	Notes	2016 £	2015 £
Turnover	3	21,765,254	30,306,330
Cost of sales		(18,202,054)	(26,293,260)
<b>Gross profit</b>		<b>3,563,200</b>	<b>4,013,070</b>
Administrative expenses		(3,682,524)	(3,821,620)
Other operating income		302,199	160,327
<b>Operating profit</b>	<b>4</b>	<b>182,875</b>	<b>351,777</b>
Interest receivable and similar income	7	10	13,108
Interest payable and similar charges	8	(40,587)	(37,647)
Amounts written off investments	9	-	(202)
<b>Profit before taxation</b>		<b>142,298</b>	<b>327,036</b>
Taxation	10	(100,000)	-
<b>Profit for the financial year</b>		<b>42,298</b>	<b>327,036</b>
Retained earnings at 1 May 2015		2,816,145	2,489,109
Retained earnings at 30 April 2016		2,858,443	2,816,145

The income statement has been prepared on the basis that all operations are continuing operations.

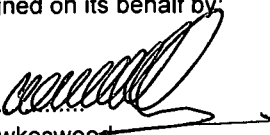
# HAWKESWOOD METAL RECYCLING LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Goodwill	11		42,000		49,000
Tangible assets	12		5,102,853		5,194,166
			<u>5,144,853</u>		<u>5,243,166</u>
<b>Current assets</b>					
Stocks	13	980,160		1,000,278	
Debtors	14	1,802,722		3,087,762	
Cash at bank and in hand		255,778		7,676	
		<u>3,038,660</u>		<u>4,095,716</u>	
<b>Creditors: amounts falling due within one year</b>	15	(3,845,414)		(5,105,831)	
<b>Net current liabilities</b>			<u>(806,754)</u>		<u>(1,010,115)</u>
<b>Total assets less current liabilities</b>			<u>4,338,099</u>		<u>4,233,051</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(77,789)		(115,039)
<b>Provisions for liabilities</b>	19		(615,000)		(515,000)
<b>Net assets</b>			<u><u>3,645,310</u></u>		<u><u>3,603,012</u></u>
<b>Capital and reserves</b>					
Called up share capital	23		1,000		1,000
Revaluation reserve			785,867		785,867
Profit and loss reserves			2,858,443		2,816,145
<b>Total equity</b>			<u><u>3,645,310</u></u>		<u><u>3,603,012</u></u>

The financial statements were approved by the board of directors and authorised for issue on 22/11/16 and are signed on its behalf by:

  
Mr W A Hawkeswood  
Director

Company Registration No. 04282969

# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2016

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### 1 Accounting policies

#### Company information

Hawkeswood Metal Recycling Limited is a private company limited by shares incorporated in England and Wales. The registered office is Riverside Works, Trevor Street, Nechells, Birmingham, B7 5RG.

#### 1.1 Accounting convention

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

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

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

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

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

The financial statements of the company are consolidated in the financial statements of [XXXXX]. These consolidated financial statements are available from its registered office, [XXXXXX].

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT. Income is recognised when goods are despatched.

# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 1 Accounting policies

(Continued)

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

#### 1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life. The company's accounting policy was to write this off over 20 years but in accordance within FRS 102 this policy has been reviewed. On the basis that on transition the estimated useful life of acquired goodwill was eight years the company is now amortising on a straight-line basis the residual cost over this period.

#### 1.5 Tangible fixed assets

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

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

Land and buildings freehold	2% on cost
Leasehold improvements	2% on cost
Plant and machinery	5%-10% Reducing balance
Fixtures, fittings & equipment	33% Reducing balance
Motor vehicles	15% Reducing balance

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

#### 1.6 Impairment of fixed assets

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

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

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

# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

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### 1 Accounting policies

(Continued)

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

#### 1.7 Stocks

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

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

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

#### 1.8 Cash and cash equivalents

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

#### 1.9 Financial instruments

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

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

##### **Basic financial assets**

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

##### **Classification of financial liabilities**

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

# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

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

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

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

#### **1.10 Taxation**

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

##### **Current tax**

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

##### **Deferred tax**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### **1.11 Employee benefits**

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

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

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

#### **1.12 Retirement benefits**

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

#### **1.13 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 1 Accounting policies

(Continued)

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

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

#### 1.14 Government grants

Capital grants are credited to accruals and deferred income and released to the profit and loss account over the expected useful life of the assets.

#### 1.15 Foreign exchange

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

### 2 Judgements and key sources of estimation uncertainty

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

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

### 3 Turnover and other revenue

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

	2016 £	2015 £
<b>Turnover</b>		
UK sales	21,765,254	30,306,330
	<u>                    </u>	<u>                    </u>
<b>Other significant revenue</b>		
Interest income	10	13,108
Grants received	8,733	8,727
	<u>                    </u>	<u>                    </u>

# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 3 Turnover and other revenue

(Continued)

#### Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	21,765,254	28,603,728
Exports	-	1,702,602
	<u>21,765,254</u>	<u>30,306,330</u>

### 4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	29,132	69,256
Government grants	(8,733)	(8,727)
Fees payable to the company's auditor for the audit of the company's financial statements	14,418	13,196
Depreciation of owned tangible fixed assets	360,134	356,586
Depreciation of tangible fixed assets held under finance leases	30,019	15,140
Profit on disposal of tangible fixed assets	(15,799)	(2,490)
Amortisation of intangible assets	7,000	7,000
Cost of stocks recognised as an expense	18,202,054	26,293,260
Operating lease charges	11,508	10,769
	<u>18,202,054</u>	<u>26,293,260</u>

### 5 Employees

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

	2016 Number	2015 Number
Productive	21	22
Management and Administration	4	4
	<u>25</u>	<u>26</u>



# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 5 Employees

(Continued)

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	1,055,691	1,065,043
Social security costs	61,519	78,225
Pension costs	702	643
	<u>1,117,912</u>	<u>1,143,911</u>

### 6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	85,426	82,667
Company pension contributions to defined contribution schemes	702	643
	<u>86,128</u>	<u>83,310</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2015 - 1).

### 7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	10	13,108
	<u>10</u>	<u>13,108</u>

### 8 Interest payable and similar charges

	2016 £	2015 £
Interest on bank overdrafts and loans	39,550	35,462
Interest on finance leases and hire purchase contracts	1,037	2,185
	<u>40,587</u>	<u>37,647</u>

### 9 Amounts written off investments

	2016 £	2015 £
Gain/(loss) on disposal of investments held at fair value	-	(202)
	<u>-</u>	<u>(202)</u>

### 10 Taxation

2016 £	2015 £
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# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 10 Taxation

(Continued)

#### Deferred tax

Origination and reversal of timing differences

100,000

-

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

	2016 £	2015 £
Profit before taxation	142,298	327,036
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	28,460	65,407
Tax effect of expenses that are not deductible in determining taxable profit	2,715	2,745
Tax effect of utilisation of tax losses not previously recognised	-	16,844
Change in unrecognised deferred tax assets	100,000	-
Group relief	34,435	-
Permanent capital allowances in excess of depreciation	(65,610)	(84,996)
Taxation for the year	100,000	-

### 11 Intangible fixed assets

Goodwill  
£

#### Cost

At 1 May 2015 and 30 April 2016

140,000

#### Amortisation and impairment

At 1 May 2015

91,000

Amortisation charged for the year

7,000

At 30 April 2016

98,000

#### Carrying amount

At 30 April 2016

42,000

At 30 April 2015

49,000

## HAWKESWOOD METAL RECYCLING LIMITED

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

#### 12 Tangible fixed assets

	Land and buildings freehold	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 May 2015	271,398	587,808	8,525,933	286,454	443,869	10,115,462
Additions	-	-	246,505	1,447	202,090	450,042
Disposals	-	-	(20,000)	-	(139,321)	(159,321)
At 30 April 2016	271,398	587,808	8,752,438	287,901	506,638	10,406,183
<b>Depreciation and impairment</b>						
At 1 May 2015	52,018	81,445	4,210,211	266,080	311,542	4,921,296
Depreciation charged in the year	5,428	10,367	333,973	7,215	33,170	390,153
Eliminated in respect of disposals	-	-	(1,153)	-	(6,966)	(8,119)
At 30 April 2016	57,446	91,812	4,543,031	273,295	337,746	5,303,330
<b>Carrying amount</b>						
At 30 April 2016	213,952	495,996	4,209,407	14,606	168,892	5,102,853
At 30 April 2015	219,380	506,363	4,315,722	20,374	132,327	5,194,166

# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 12 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2016 £	2015 £
Plant and machinery	270,174	300,193
Depreciation charge for the year in respect of leased assets	30,019	15,140

### 13 Stocks

	2016 £	2015 £
Finished goods and goods for resale	980,160	1,000,278

### 14 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	403,773	775,296
Amounts due from fellow undertakings	-	1,055,169
Other debtors	168,083	105,666
Prepayments and accrued income	1,230,866	1,151,631
	1,802,722	3,087,762

### 15 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	17	1,579,625	738,250
Obligations under finance leases	18	75,944	87,000
Trade creditors		1,629,912	1,470,849
Amounts due to group undertakings		303,569	2,098,533
Corporation tax		26,973	26,973
Other taxation and social security		23,625	222,996
Other creditors		22,321	18,483
Accruals and deferred income		183,445	442,747
		3,845,414	5,105,831

The amount due to the subsidiary undertakings are legally repayable on demand but the director has no intention in recalling these amounts.

# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 16 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Obligations under finance leases	18	22,925	51,442
Government grants	21	54,864	63,597
		<u>77,789</u>	<u>115,039</u>

### 17 Loans and overdrafts

	2016 £	2015 £
Bank overdrafts	<u>1,579,625</u>	<u>738,250</u>
Payable within one year	<u>1,579,625</u>	<u>738,250</u>

The bank overdraft is secured by a first legal charge over the company's property together with a cross guarantee given by other group undertakings and personal guarantees.

### 18 Finance lease obligations

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Within one year	75,944	87,000
In two to five years	22,925	51,442
	<u>98,869</u>	<u>138,442</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 19 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	20	615,000	515,000
		<u>615,000</u>	<u>515,000</u>

# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 20 Deferred taxation

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

	Liabilities 2016 £	Liabilities 2015 £
<b>Balances:</b>		
Accelerated capital allowances	615,000	515,000

There were no deferred tax movements in the year.

£40,000 of the deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 21 Government grants & deferred income

	2016 £	2015 £
Arising from government grants	54,864	63,597
	54,864	63,597

### 22 Retirement benefit schemes

	2016 £	2015 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	702	643

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

### 23 Share capital

	2016 £	2015 £
<b>Ordinary share capital</b>		
<b>Authorised</b>		
500,000,000 Ordinary shares of 0.1p each	500,000	500,000
<b>Issued and fully paid</b>		
1,000,000 Ordinary shares of 0.1p each	1,000	1,000

# **HAWKESWOOD METAL RECYCLING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 30 APRIL 2016***

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### **24 Financial commitments, guarantees and contingent liabilities**

The company received during 2014 capital grants amounting to £87,269. These grants are repayable in full if the company fails to meet certain job creation conditions. The company is currently meeting all conditions of the grants and fully expects to meet them in the future.

### **26 Controlling party**

The company is a wholly owned subsidiary of Hawkeswood Holding Group Limited, a company incorporated in England and Wales.

The largest and smallest group for which consolidated accounts are prepared is Hawkeswood Holding Group Limited. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ.

# **HAWKESWOOD METAL RECYCLING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 30 APRIL 2016**

### **27 Reconciliations on adoption of FRS 102**

#### **Reconciliation of equity**

		At 1 May 2014			At 30 April 2015			
	Notes	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Prior year adjustment £	Effect of transition £	FRS 102 £
<b>Fixed assets</b>								
Goodwill		56,000	-	56,000	49,000	-	-	49,000
Tangible assets		4,908,822	-	4,908,822	5,194,166	-	-	5,194,166
Investments		202	-	202	-	-	-	-
		<u>4,965,024</u>	<u>-</u>	<u>4,965,024</u>	<u>5,243,166</u>	<u>-</u>	<u>-</u>	<u>5,243,166</u>
<b>Current assets</b>								
Stocks		1,406,473	-	1,406,473	1,000,278	-	-	1,000,278
Debtors		2,565,073	-	2,565,073	3,087,762	-	-	3,087,762
Bank and cash		178,231	-	178,231	7,676	-	-	7,676
		<u>4,149,777</u>	<u>-</u>	<u>4,149,777</u>	<u>4,095,716</u>	<u>-</u>	<u>-</u>	<u>4,095,716</u>



# **HAWKESWOOD METAL RECYCLING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 30 APRIL 2016**

### **27 Reconciliations on adoption of FRS 102**

**(Continued)**

	Notes	At 1 May 2014			At 30 April 2015			FRS 102 £
		Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Prior year adjustment £	Effect of transition £	
<b>Creditors due within one year</b>								
Loans and overdrafts		(901,702)	-	(901,702)	(738,250)	-	-	(738,250)
Finance leases		(92,034)	-	(92,034)	(87,000)	-	-	(87,000)
Taxation		(324,554)	-	(324,554)	(249,969)	-	-	(249,969)
Other creditors	1	(1,933,211)	-	(1,933,211)	(2,580,612)	(1,450,000)	-	(4,030,612)
		(3,251,501)	-	(3,251,501)	(3,655,831)	(1,450,000)	-	(5,105,831)
<b>Net current assets/(liabilities)</b>		898,276	-	898,276	439,885	(1,450,000)	-	(1,010,115)
<b>Total assets less current liabilities</b>		5,863,300	-	5,863,300	5,683,051	(1,450,000)	-	4,233,051
<b>Creditors due after one year</b>								
Loans and overdrafts	1	(2,000,000)	-	(2,000,000)	(1,450,000)	1,450,000	-	-
Finance leases		-	-	-	(51,442)	-	-	(51,442)
Deferred income		(72,324)	-	(72,324)	(63,597)	-	-	(63,597)
		(2,072,324)	-	(2,072,324)	(1,565,039)	1,450,000	-	(115,039)
<b>Provisions for liabilities</b>								
Deferred tax		(515,000)	-	(515,000)	(515,000)	-	-	(515,000)
<b>Net assets</b>		3,275,976	-	3,275,976	3,603,012	-	-	3,603,012

# **HAWKESWOOD METAL RECYCLING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2016**

### **27 Reconciliations on adoption of FRS 102**

**(Continued)**

	Notes	At 1 May 2014			At 30 April 2015			FRS 102
		Previous UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Prior year adjustment	Effect of transition	
		£	£	£	£	£	£	£
<b>Capital and reserves</b>								
Share capital		1,000	-	1,000	1,000	-	-	1,000
Revaluation reserve		785,867	-	785,867	785,867	-	-	785,867
Profit and loss		2,489,109	-	2,489,109	2,816,145	-	-	2,816,145
<b>Total equity</b>		<u>3,275,976</u>	<u>-</u>	<u>3,275,976</u>	<u>3,603,012</u>	<u>-</u>	<u>-</u>	<u>3,603,012</u>

# HAWKESWOOD METAL RECYCLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

#### Reconciliation of profit for the financial period

		Year ended 30 April 2015			
	Notes	Previous UK GAAP £	Prior year adjustment £	Effect of transition £	FRS 102 £
Turnover		30,306,330	-	-	30,306,330
Cost of sales		(26,293,260)	-	-	(26,293,260)
Gross profit		4,013,070	-	-	4,013,070
Administrative expenses		(3,821,620)	-	-	(3,821,620)
Other operating income		160,327	-	-	160,327
Operating profit		351,777	-	-	351,777
Interest receivable and similar income		13,108	-	-	13,108
Interest payable and similar charges		(37,647)	-	-	(37,647)
Amounts written off investments		(202)	-	-	(202)
Profit before taxation		327,036	-	-	327,036
Taxation		-	-	-	-
Profit for the financial period		327,036	-	-	327,036

#### Notes to reconciliations on adoption of FRS 102

##### (1) Group debt

The amount due to the subsidiary undertaking is legally repayable on demand and accordingly has been restated as a current liability.