

Financial Statements Premier Waste Recycling Limited

For the Year Ended 31 July 2016



Registered number: 07566881

Premier Waste Recycling Limited

Company Information

Directors	H W Martin K Martin N C Faulconbridge M J Faulconbridge
Registered number	07566881
Registered office	Fordbridge Lane Blackwell ALFRETON Derbyshire DE55 5JY
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 2 Broadfield Court SHEFFIELD South Yorkshire S8 0XF
Bankers	Barclays Bank PLC Derby Business Centre PO Box 493 Sir Frank Whittle Road DERBY DE1 9UU

Contents

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 6
Statement of income and retained earnings	7
Balance sheet	8
Notes to the financial statements	9 - 21

Strategic Report

For the Year Ended 31 July 2016

Introduction

The directors present their Strategic report for the year ended 31 July 2016.

Principal activities and business review

The principal activities of Premier Waste Recycling Limited (the Company) are as follows:

- The collection, disposal and management of commercial waste and recyclable materials.
- The provision of waste and recyclable material containers.

The expiry of all remaining liabilities arising from asset based finance agreements (entered into by the previous owners of the Company) and operational efficiencies have improved profitability. An investment of over £1 million was made in the vehicle fleet as part of a long term renewal program funded entirely from Group reserves.

Further efficiencies are expected to be realised from the roll out made later in the financial year of new waste collection software and hand held computers to provide improved data capture in real time.

Continuity of a similar or increased level of business activity will be provided by the existing client base. Commercial risk continues to be reduced by further rationalisation of the customer base.

Business opportunities' continue to arise from the Company's close working relationship with H W Martin Waste Limited. The policy pursued by the Martin Group board of directors to authorise capital expenditure to take advantage of market opportunities will continue and is demonstrated by the ongoing vehicle fleet upgrade programme.

The Company continues to look for ways to improve its environmental performance and reduce the environmental impact of its activities and remains committed to a management system conforming to the 14001 Environmental Standard.

Principal risks and uncertainties

The identification, assessment and management of opportunities and associated risks are an integral element of the business of Premier Waste Recycling Limited. Principal risks are:

- The effect of new legislation and regulation. The impact of which on operations may potentially increase costs. This risk is considered as a part of the tender approval process. Many contracts include provision which allow the Company to pass increased costs arising to the Client.
- Competitive risk. The Company continues to maintain a very competitive cost base to give the best possible commercial advantage and actively targets long term contracts.
- Recyclable material market prices. The Group's waste and recycling activities are subject to fluctuating returns as prices of recyclable material vary due to worldwide demand. This risk is considered during the tender process and mitigated by a focus on securing contracts which deliver service, rather than, material, lead returns.
- Health and safety. Premier Waste Recycling Limited acknowledges that its employees work within a hazardous environment and training is given to reflect and mitigate this risk. Policies and procedures are continually monitored and reviewed. The Group maintains its commitment to the 18001 Health and Safety standard.
- Financial risk. The main risk arising from the Company's financial instruments is liquidity risk. This risk is managed by maintaining a high cash reserve and capital funding from the Martin Group providing sufficient liquidity to finance the Company's operations and to meet unanticipated costs.

Premier Waste Recycling Limited

Strategic Report

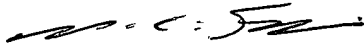
For the Year Ended 31 July 2016

Financial key performance indicators

The Company's key financial and performance indicators for the period are:

1. Sales growth of 6%.
2. Net profit growth of 15%.

This report was approved by the board on 12 December 2016 and signed on its behalf.



N C Faulconbridge
Director

Directors' Report

For the Year Ended 31 July 2016

The directors present their report and the financial statements for the year ended 31 July 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's financial statements and then apply them consistently;
- make judgments 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.

Results and dividends

The profit for the year, after taxation, amounted to £596,323 (2015 - £523,582).

Particulars of dividends are detailed in note 8 to the financial statements.

Directors

The directors who served during the year were:

H W Martin
K Martin
N C Faulconbridge
M J Faulconbridge

Going concern

The company funds both day-to-day operations and longer-term strategic development from its liquid resources, including the working capital generated from operations. The directors have considered the level of the liquid resources and the expected future profitability of both the company and the wider HW Martin group, and are satisfied that, under anticipated trading conditions, there are sufficient available resources for the company to meet its trading requirements through a period of at least 12 months from the date of signing these financial statements. For this reason they have concluded that it is appropriate to use the going concern basis in presenting these financial statements

Directors' Report (continued)

For the Year Ended 31 July 2016

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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 auditor is aware of that information.

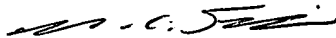
Post balance sheet events

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

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 12 December 2016 and signed on its behalf.



N C Faulconbridge
Director



Independent Auditor's Report to the Members of Premier Waste Recycling Limited

We have audited the financial statements of Premier Waste Recycling Limited for the year ended 31 July 2016, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in 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

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 July 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.



Independent Auditor's Report to the Members of Premier Waste Recycling Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

A handwritten signature in black ink, appearing to read "Paul Houghton", written over the printed name.

PAUL HOUGHTON (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
SHEFFIELD

12 December 2016

Statement of Income and Retained Earnings

For the Year Ended 31 July 2016

	Note	2016 £	2015 £
Turnover	4	12,145,503	11,466,566
Cost of sales		(9,762,420)	(9,142,137)
Gross profit		2,383,083	2,324,429
Administrative expenses		(1,546,770)	(1,458,642)
Goodwill amortisation		(76,714)	(205,073)
Profit on ordinary activities before taxation	5	759,599	660,714
Tax on profit on ordinary activities	7	(163,276)	(137,132)
Profit for the financial year		596,323	523,582
Retained earnings at the beginning of the year		552,931	29,349
Profit for the year		596,323	523,582
Dividends declared and paid		(100,000)	-
Retained earnings at the end of the year		1,049,254	552,931

The notes on pages 9 to 21 form part of these financial statements.

Balance Sheet

As at 31 July 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Intangible assets	9		-		76,714
Tangible assets	10		1,920,535		1,364,523
			<u>1,920,535</u>		<u>1,441,237</u>
Current assets					
Stocks	11	7,151		23,342	
Debtors: amounts falling due within one year	12	2,417,684		2,071,594	
Cash at bank and in hand	13	2,607,695		2,314,976	
			<u>5,032,530</u>	<u>4,409,912</u>	
Creditors: amounts falling due within one year	14	(3,014,793)		(1,941,465)	
Net current assets			<u>2,017,737</u>		<u>2,468,447</u>
Total assets less current liabilities			<u>3,938,272</u>		<u>3,909,684</u>
Creditors: amounts falling due after more than one year	15		(2,884,018)		(3,351,753)
Net assets			<u><u>1,054,254</u></u>		<u><u>557,931</u></u>
Capital and reserves					
Called up share capital	17		5,000		5,000
Profit and loss account	18		1,049,254		552,931
			<u><u>1,054,254</u></u>		<u><u>557,931</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 December 2016.



N C Faulconbridge
Director

The notes on pages 9 to 21 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 July 2016

1. General information

Premier Waste Recycling Limited (the "Company") is a private company limited by shares incorporated in the UK. The registered office of the company is Fordbridge Lane, Blackwell, Alfreton, DE55 5JY.

The principal activities of the Company are as follows:

- The collection, disposal and management of commercial waste and recyclable materials.
- The provision of waste and recyclable material containers.

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 21.

The date of transition is 1 August 2014.

The company's functional and presentational currency is 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 Going concern

The company funds both day-to-day operations and longer-term strategic development from its liquid resources, including the working capital generated from operations. The directors have considered the level of the liquid resources and the expected future profitability of both the company and the wider HW Martin group, and are satisfied that, under anticipated trading conditions, there are sufficient available resources for the company to meet its trading requirements through a period of at least 12 months from the date of signing these financial statements. For this reason they have concluded that it is appropriate to use the going concern basis in presenting these financial statements

Notes to the Financial Statements

For the Year Ended 31 July 2016

2. Accounting policies (continued)

2.3 Reduced disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to the use of exemptions by the company's shareholders. These disclosure exemptions are:

Statement of Cash Flows

Preparing a statement of cash flows, on the basis that it is a qualifying entity and the Consolidated Statement of Cash Flows included in the Group Financial Statements includes the company's cashflows.

Key Management Personnel Compensation

Disclosing the compensation of the key management personnel as required by FRS 102 Section 33.7.

Financial Instrument Disclosure

Disclosing Financial Instruments as required under FRS 102 section 11.29 to 11.48A and section 12.26 and 12.29 as this information is provided in the notes to the Consolidated Financial Statements.

The information is included in the consolidated financial statements of H W Martin Holdings Limited as at 31 July 2016 and these financial statements may be obtained from Companies House.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, which is at the date the work is completed, 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.

2.5 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 Statement of income and retained earnings 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.

Amortisation is provided at the following rates:

Goodwill	- 20%
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Notes to the Financial Statements

For the Year Ended 31 July 2016

2. Accounting policies (continued)

2.6 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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 property	- 5% straight line
Plant & machinery	- 20% straight line

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.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of income and retained earnings.

2.8 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.

2.9 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.

Notes to the Financial Statements

For the Year Ended 31 July 2016

2. Accounting policies (continued)

2.10 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 debtors and creditors and loans to related 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. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Statement of income and retained earnings.

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, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.11 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.

2.12 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.

Notes to the Financial Statements

For the Year Ended 31 July 2016

2. Accounting policies (continued)

2.13 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 Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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 balance sheet 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 Balance sheet 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 balance sheet date.

2.15 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.

Notes to the Financial Statements

For the Year Ended 31 July 2016

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Impairment of financial assets

At the end of each reporting period, an assessment is made as to whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost, including trade debtors and stock. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of income and retained earnings immediately.

Goodwill

Goodwill is considered to have a finite useful life, and is amortised on a systematic basis over its life. If the company is unable to make a reliable estimate of the useful life of goodwill, the life shall not exceed five years.

4. Turnover

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	<u>12,145,503</u>	<u>11,466,566</u>

5. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	604,127	517,210
Amortisation of intangible assets, including goodwill	76,714	205,073
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	5,350	5,000
Fees payable to the Company's auditor and its associates for other services to the Company	2,250	2,200
Defined contribution pension cost	<u>77,027</u>	<u>76,893</u>

During the year, no director received any emoluments (2015 - £NIL).

Notes to the Financial Statements

For the Year Ended 31 July 2016

6. Employees

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	2,451,024	2,009,785
Social security costs	217,978	199,996
Cost of defined contribution scheme	77,027	76,893
	<u>2,746,029</u>	<u>2,286,674</u>

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

	2016 No.	2015 No.
Admin and management	25	25
Direct	53	51
	<u>78</u>	<u>76</u>

7. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	190,376	182,631
Adjustments in respect of previous periods	-	2,500
	<u>190,376</u>	<u>185,131</u>
Total current tax	<u>190,376</u>	<u>185,131</u>
Deferred tax		
Origination and reversal of timing differences	(27,100)	(47,999)
Total deferred tax	<u>(27,100)</u>	<u>(47,999)</u>
Taxation on profit on ordinary activities	<u>163,276</u>	<u>137,132</u>

Notes to the Financial Statements

For the Year Ended 31 July 2016

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

The tax assessed for the year is the same as (2015 - higher than) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.67%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	759,599	660,714
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.67%)	151,920	136,542
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,231	1,006
Capital allowances for year in excess of depreciation	35,225	45,250
Adjustments to tax charge in respect of prior periods	-	(2,500)
Other short term timing differences	-	4,833
Other differences leading to an increase (decrease) in the tax charge	(27,100)	(47,999)
Total tax charge for the year	163,276	137,132

8. Dividends

	2016 £	2015 £
Dividends paid on equity capital	100,000	-

Notes to the Financial Statements

For the Year Ended 31 July 2016

9. Intangible assets

	Goodwill £
Cost	
At 1 August 2015	1,025,366
At 31 July 2016	<u>1,025,366</u>
Amortisation	
At 1 August 2015	948,652
Charge for the year	76,714
At 31 July 2016	<u>1,025,366</u>
Net book value	
At 31 July 2016	<u>-</u>
At 31 July 2015	<u>76,714</u>

Notes to the Financial Statements

For the Year Ended 31 July 2016

10. Tangible fixed assets

	Freehold property £	Plant & machinery £	Total £
Cost or valuation			
At 1 August 2015	300,000	2,901,240	3,201,240
Additions	-	1,181,387	1,181,387
Transfers intra group	-	14,574	14,574
Disposals	-	(57,428)	(57,428)
At 31 July 2016	300,000	4,039,773	4,339,773
Depreciation			
At 1 August 2015	-	1,836,717	1,836,717
Charge for period on owned assets	-	604,127	604,127
Transfers intra group	-	4,129	4,129
Disposals	-	(25,735)	(25,735)
At 31 July 2016	-	2,419,238	2,419,238
Net book value			
At 31 July 2016	300,000	1,620,535	1,920,535
At 31 July 2015	300,000	1,064,523	1,364,523

The net book value of land and buildings may be further analysed as follows:

	2016 £	2015 £
Freehold	300,000	300,000

11. Stocks

	2016 £	2015 £
Raw materials	7,151	23,342

Notes to the Financial Statements

For the Year Ended 31 July 2016

12. Debtors

	2016 £	2015 £
Trade debtors	2,023,417	1,781,660
Amounts owed by group undertakings	200,000	-
Prepayments and accrued income	125,167	247,934
Deferred taxation (see Note 16)	69,100	42,000
	<u>2,417,684</u>	<u>2,071,594</u>

An impairment charge of £21,006 (2015 - £NIL) was recognised against the trade debtors in the year.

13. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>2,607,695</u>	<u>2,314,976</u>

14. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	716,745	713,316
Amounts owed to group undertakings	1,569,103	475,576
Corporation tax	90,622	93,632
Taxation and social security	58,538	65,505
Other creditors	-	31
Accruals and deferred income	579,785	593,405
	<u>3,014,793</u>	<u>1,941,465</u>

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

	2016 £	2015 £
Amounts owed to group undertakings	<u>2,884,018</u>	<u>3,351,753</u>

Amounts owed to group undertakings are interest free and repayable on demand.

Notes to the Financial Statements

For the Year Ended 31 July 2016

16. Deferred taxation

	2016 £
At beginning of year	42,000
Charged to the profit or loss	27,100
At end of year	69,100

The deferred tax asset is made up as follows:

	2016 £
Accelerated capital allowances	64,600
Short term timing differences	4,500
	69,100

17. Share capital

	2016 £	2015 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
5,000 Ordinary shares of £1 each	5,000	5,000

18. Reserves

Profit & loss account

Profit and loss account – includes all current and prior period retained profits and losses.

19. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are administered by trustees in funds independent from those of the company.

The pension cost charges represents contributions payable by the company into the fund and amounted to £77,027 (2015: £76,893).

Contributions totalling £nil (2015: £nil) were payable to the fund at the balance sheet date.

Notes to the Financial Statements

For the Year Ended 31 July 2016

20. Controlling party

The directors consider that the ultimate parent undertakings of the company is H W Martin Holdings Limited incorporated in England and Wales

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by H W Martin Holdings Limited which is incorporated in England and Wales.

Consolidated financial statements can be obtained from H W Martin Holdings Limited, Fordbridge Lane, Blackwell, Alfreton, Derbyshire, DE55 5JY.

21. 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.