

REGISTERED NUMBER: SC404147 (Scotland)



**Report of the Directors and  
Consolidated Financial Statements  
for the Year Ended 31 August 2017  
for  
Dalton Metal Recycling Limited**



**Contents of the Consolidated Financial Statements  
for the Year Ended 31 August 2017**

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**Dalton Metal Recycling Limited**

**Company Information  
for the Year Ended 31 August 2017**

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<b>DIRECTORS:</b>	S Dalton (Jnr) S Dalton (Snr)
<b>SECRETARY:</b>	S Dalton (Snr)
<b>REGISTERED OFFICE:</b>	15 Youngs Road East Mains Industrial Estate Broxburn Near Edinburgh EH52 5LY
<b>REGISTERED NUMBER:</b>	SC404147 (Scotland)
<b>AUDITORS:</b>	Campbell Dallas Audit Services Statutory Auditors Titanium 1 King's Inch Place Renfrew PA4 8WF
<b>SOLICITORS:</b>	Ennova Law LLP 26 George Square Edinburgh EH8 9LD

**Dalton Metal Recycling Limited (Registered number: SC404147)**

**Report of the Directors  
for the Year Ended 31 August 2017**

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The directors present their report with the financial statements of the company and the group for the year ended 31 August 2017.

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review were those of scrap metal merchanting.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 September 2016 to the date of this report.

S Dalton (Jnr)

S Dalton (Snr)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group 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;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The appointed auditors, Campbell Dallas LLP, tendered their resignation and were replaced by Campbell Dallas Audit Services. The auditors, Campbell Dallas Audit Services, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Dalton Metal Recycling Limited (Registered number: SC404147)

Report of the Directors  
for the Year Ended 31 August 2017

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



S Dalton (Snr) - Director

Date: 28/05/2018

## **Report of the Independent Auditors to the Members of Dalton Metal Recycling Limited**

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### **Opinion**

We have audited the financial statements of Dalton Metal Recycling Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 August 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

## **Report of the Independent Auditors to the Members of Dalton Metal Recycling Limited**

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### **Other information**

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

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

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

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

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

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report or in preparing the Report of the Directors.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Report of the Independent Auditors to the Members of  
Dalton Metal Recycling Limited**

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**Our responsibilities for the audit of the financial statements**

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

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

*Campbell Dallas Audit Services*

Donald J Boyd (Senior Statutory Auditor)  
for and on behalf of Campbell Dallas Audit Services  
Statutory Auditors  
Titanium 1  
King's Inch Place  
Renfrew  
PA4 8WF

Date: .....

*29 May 2018*



**Dalton Metal Recycling Limited (Registered number: SC404147)**

**Consolidated Income Statement  
for the Year Ended 31 August 2017**

		Year Ended 31.8.17 £	Period 1.3.15 to 31.8.16 £
	Notes		
<b>TURNOVER</b>		11,149,842	12,670,124
Cost of sales		8,308,008	9,698,569
<b>GROSS PROFIT</b>		2,841,834	2,971,555
Administrative expenses		2,420,557	2,650,300
<b>OPERATING PROFIT</b>	5	421,277	321,255
Interest receivable and similar income		-	838
		421,277	322,093
Interest payable and similar expenses	6	31,482	75,513
<b>PROFIT BEFORE TAXATION</b>		389,795	246,580
Tax on profit	7	83,270	56,370
<b>PROFIT FOR THE FINANCIAL YEAR</b>		306,525	190,210
Profit attributable to: Owners of the parent		306,525	190,210

The notes form part of these financial statements

**Dalton Metal Recycling Limited (Registered number: SC404147)**

**Consolidated Other Comprehensive Income  
for the Year Ended 31 August 2017**

	Notes	Year Ended 31.8.17 £	Period 1.3.15 to 31.8.16 £
<b>PROFIT FOR THE YEAR</b>		306,525	190,210
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>306,525</u>	
Prior year adjustment			<u>(115,554)</u>
<b>TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT</b>			<u>74,656</u>
Total comprehensive income attributable to: Owners of the parent		<u>306,525</u>	<u>74,656</u>

The notes form part of these financial statements

**Dalton Metal Recycling Limited (Registered number: SC404147)**

**Consolidated Balance Sheet  
31 August 2017**

		2017		2016	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9		3,086,437		3,238,261
Investments	10		-		-
Investment property	11		-		-
			<u>3,086,437</u>		<u>3,238,261</u>
<b>CURRENT ASSETS</b>					
Stocks		886,325		392,685	
Debtors	12	535,618		701,811	
Cash at bank		505,694		423,109	
		<u>1,927,637</u>		<u>1,517,605</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	13	1,564,770		1,254,608	
		<u>1,564,770</u>		<u>1,254,608</u>	
<b>NET CURRENT ASSETS</b>			<u>362,867</u>		<u>262,997</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,449,304</u>		<u>3,501,258</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(287,076)		(642,868)
<b>PROVISIONS FOR LIABILITIES</b>	18		<u>(148,581)</u>		<u>(151,268)</u>
<b>NET ASSETS</b>			<u><u>3,013,647</u></u>		<u><u>2,707,122</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		10,000		10,000
Retained earnings	20		3,003,647		2,697,122
<b>SHAREHOLDERS' FUNDS</b>			<u><u>3,013,647</u></u>		<u><u>2,707,122</u></u>

The notes form part of these financial statements

**Dalton Metal Recycling Limited (Registered number: SC404147)**

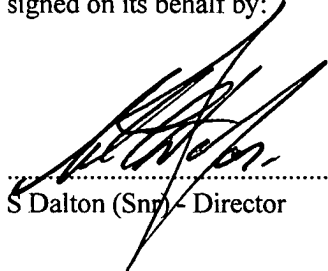
**Consolidated Balance Sheet - continued**

**31 August 2017**

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The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on ..... 28/5/2018 ..... and were signed on its behalf by:



.....

S Dalton (Snr) - Director

The notes form part of these financial statements

**Dalton Metal Recycling Limited (Registered number: SC404147)**

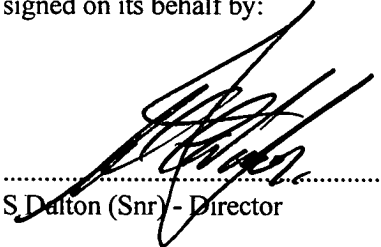
**Company Balance Sheet**

**31 August 2017**

	Notes	2017	2016
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	9	-	-
Investments	10	10,000	10,000
Investment property	11	1,300,000	1,550,000
		<u>1,310,000</u>	<u>1,560,000</u>
<b>CURRENT ASSETS</b>			
Debtors	12	62,003	31,329
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>17,005</u>	<u>23,986</u>
<b>NET CURRENT ASSETS</b>		<u>44,998</u>	<u>7,343</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,354,998</u>	<u>1,567,343</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	10,000	10,000
Retained earnings	20	1,344,998	1,557,343
<b>SHAREHOLDERS' FUNDS</b>		<u>1,354,998</u>	<u>1,567,343</u>
Company's (loss)/profit for the financial year		<u>(212,345)</u>	<u>9,512</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 28/5/2018 and were signed on its behalf by:

  
.....  
S Dalton (Snr) - Director

The notes form part of these financial statements

**Dalton Metal Recycling Limited (Registered number: SC404147)**

**Consolidated Statement of Changes in Equity  
for the Year Ended 31 August 2017**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 March 2015</b>	10,000	2,622,466	2,632,466
Prior year adjustment	-	(115,554)	(115,554)
As restated	10,000	2,506,912	2,516,912
<b>Changes in equity</b>			
Total comprehensive income	-	190,210	190,210
<b>Balance at 31 August 2016</b>	10,000	2,697,122	2,707,122
<b>Changes in equity</b>			
Total comprehensive income	-	306,525	306,525
<b>Balance at 31 August 2017</b>	10,000	3,003,647	3,013,647

The notes form part of these financial statements

**Dalton Metal Recycling Limited (Registered number: SC404147)**

**Company Statement of Changes in Equity  
for the Year Ended 31 August 2017**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 March 2015</b>	10,000	1,550,525	1,560,525
Prior year adjustment	-	(2,694)	(2,694)
As restated	10,000	1,547,831	1,557,831
<b>Changes in equity</b>			
Total comprehensive income	-	9,512	9,512
<b>Balance at 31 August 2016</b>	10,000	1,557,343	1,567,343
<b>Changes in equity</b>			
Total comprehensive income	-	(212,345)	(212,345)
<b>Balance at 31 August 2017</b>	10,000	1,344,998	1,354,998

The notes form part of these financial statements

**Dalton Metal Recycling Limited (Registered number: SC404147)**

**Consolidated Cash Flow Statement  
for the Year Ended 31 August 2017**

		Year Ended 31.8.17 £	Period 1.3.15 to 31.8.16 £
	Notes		
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	953,694	615,280
Interest paid		(31,482)	(75,513)
Tax paid		(77,500)	(145,143)
Net cash from operating activities		<u>844,712</u>	<u>394,624</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(314,699)	(184,855)
Sale of tangible fixed assets		4,417	28,200
Interest received		-	838
Net cash from investing activities		<u>(310,282)</u>	<u>(155,817)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(198,114)	(286,287)
Refinancing of fixed assets		-	249,600
Capital repayments in year		(253,731)	(318,221)
Net cash from financing activities		<u>(451,845)</u>	<u>(354,908)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>82,585</u>	<u>(116,101)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	423,109	539,210
<b>Cash and cash equivalents at end of year</b>	2	<u><u>505,694</u></u>	<u><u>423,109</u></u>

The notes form part of these financial statements



**Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31 August 2017**

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

	Year Ended 31.8.17 £	Period 1.3.15 to 31.8.16 £
Profit before taxation	389,795	246,580
Depreciation charges	446,023	717,832
Loss on disposal of fixed assets	16,082	8,780
Finance costs	31,482	75,513
Finance income	-	(838)
	<u>883,382</u>	<u>1,047,867</u>
(Increase)/decrease in stocks	(493,640)	162,930
Decrease/(increase) in trade and other debtors	166,194	(135,218)
Increase/(decrease) in trade and other creditors	<u>397,758</u>	<u>(460,299)</u>
<b>Cash generated from operations</b>	<u><u>953,694</u></u>	<u><u>615,280</u></u>

**2. CASH AND CASH EQUIVALENTS**

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

**Year ended 31 August 2017**

	31.8.17 £	1.9.16 £
Cash and cash equivalents	<u><u>505,694</u></u>	<u><u>423,109</u></u>

**Period ended 31 August 2016**

	31.8.16 £	1.3.15 £
Cash and cash equivalents	<u><u>423,109</u></u>	<u><u>539,210</u></u>

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements  
for the Year Ended 31 August 2017**

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**1. STATUTORY INFORMATION**

Dalton Metal Recycling Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

**Basis of consolidation**

The group accounts consolidate the accounts of Dalton Metal Recycling Limited and its subsidiary for the period ended 31 August 2017.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

**Significant judgements and estimates**

The preparation of Financial Statements required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis and revisions to estimates are recognised in the period in which the estimate is revised and in any future periods affected. Significant estimates and judgements of the Company include:

**a) Impairment provisions against stock**

In the application of the Company's accounting policies, 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. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

**Turnover**

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

Turnover represents net invoiced sales of scrap metals excluding value added tax.

Turnover represents amounts derived from the provision of goods which fall within the company's ordinary activities after deduction of trade discounts and excluding value added tax. The turnover and pre-tax profit is attributable to one activity, scrap metal merchanting. Turnover is recognised at the point of invoicing, which is when the goods are despatched.

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 August 2017**

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**3. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

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

Freehold property	- 5% on cost
Improvements to property	- No depreciation
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 20% on cost

**Stocks**

Stocks are stated at the lower of cost, using the first in first out method, and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

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

**Deferred tax**

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

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

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

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

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

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

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 August 2017**

**3. ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

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

**4. EMPLOYEES AND DIRECTORS**

	Year Ended 31.8.17 £	Period 1.3.15 to 31.8.16 £
Wages and salaries	781,098	937,538
Social security costs	67,235	77,548
Other pension costs	4,492	-
	<u>852,825</u>	<u>1,015,086</u>

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

	Year Ended 31.8.17	Period 1.3.15 to 31.8.16
Direct staff	<u>35</u>	<u>31</u>

**5. OPERATING PROFIT**

The operating profit is stated after charging:

	Year Ended 31.8.17 £	Period 1.3.15 to 31.8.16 £
Hire of plant and machinery	13,762	3,887
Other operating leases	191,720	273,540
Depreciation - owned assets	315,541	557,676
Depreciation - assets on hire purchase contracts	130,483	160,156
Loss on disposal of fixed assets	16,082	8,780
Auditors' remuneration	4,200	2,700
Auditors' remuneration - other	11,595	11,550
	<u>785,383</u>	<u>1,118,489</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 August 2017**

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	Year Ended 31.8.17 £	Period 1.3.15 to 31.8.16 £
Bank loan interest	13,688	32,640
Hire purchase interest	17,794	42,873
	<u>31,482</u>	<u>75,513</u>

**7. TAXATION**

**Analysis of the tax charge**

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

	Year Ended 31.8.17 £	Period 1.3.15 to 31.8.16 £
Current tax:		
UK corporation tax	85,612	75,567
Prior year under provision	345	-
Total current tax	<u>85,957</u>	<u>75,567</u>
Deferred tax	<u>(2,687)</u>	<u>(19,197)</u>
Tax on profit	<u>83,270</u>	<u>56,370</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 August 2017**

**7. TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31.8.17 £	Period 1.3.15 to 31.8.16 £
Profit before tax	<u>389,795</u>	<u>246,580</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.581% (2016 - 20.056%)	76,326	49,454
Effects of:		
Expenses not deductible for tax purposes	15,870	52,376
Adjustments to tax charge in respect of previous periods prior periods (deferred tax)	345	-
Adjust closing deferred tax to average rate	(9,271)	(16,801)
Deferred tax not recognised	-	(194)
Fixed asset differences	-	(28,366)
Tax Credits	-	9
Marginal Relief	-	(108)
Total tax charge	<u>83,270</u>	<u>56,370</u>

**8. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 August 2017

9. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to property £	Plant and machinery £
<b>COST</b>			
At 1 September 2016	1,550,000	14,264	3,505,847
Additions	-	-	234,050
At 31 August 2017	1,550,000	14,264	3,739,897
<b>DEPRECIATION</b>			
At 1 September 2016	257,681	-	1,779,479
Charge for year	77,500	-	310,893
Eliminated on disposal	-	-	-
At 31 August 2017	335,181	-	2,090,372
<b>NET BOOK VALUE</b>			
At 31 August 2017	1,214,819	14,264	1,649,525
At 31 August 2016	1,292,319	14,264	1,726,368
	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 September 2016	64,001	393,750	5,527,862
Additions	9,599	71,050	314,699
Disposals	-	(40,925)	(40,925)
At 31 August 2017	73,600	423,875	5,801,636
<b>DEPRECIATION</b>			
At 1 September 2016	31,539	220,902	2,289,601
Charge for year	10,976	46,655	446,024
Eliminated on disposal	-	(20,426)	(20,426)
At 31 August 2017	42,515	247,131	2,715,199
<b>NET BOOK VALUE</b>			
At 31 August 2017	31,085	176,744	3,086,437
At 31 August 2016	32,462	172,848	3,238,261

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 August 2017**

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**9. TANGIBLE FIXED ASSETS - continued**

**Group**

The net book value of tangible fixed assets includes an amount of £451,971 (2016 - £785,388) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £130,483 (2016 - £160,156).

**10. FIXED ASSET INVESTMENTS**

**Company**

	Shares in group undertakings £
<b>COST</b>	
At 1 September 2016 and 31 August 2017	10,000
<b>NET BOOK VALUE</b>	
At 31 August 2017	10,000
At 31 August 2016	10,000

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

**Subsidiary**

**Dalton Group Limited**

Registered office:

Nature of business: Scrap metal merchant

Class of shares:	% holding
Ordinary	100.00



Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 August 2017

11. INVESTMENT PROPERTY - continued

11. INVESTMENT PROPERTY  
Company

	Total £
<b>FAIR VALUE</b>	
At 1 September 2016	1,550,000
Revaluations	(250,000)
	<u>1,300,000</u>
At 31 August 2017	<u>1,300,000</u>
<b>NET BOOK VALUE</b>	
At 31 August 2017	<u>1,300,000</u>
At 31 August 2016	<u>1,550,000</u>

Fair value at 31 August 2017 is represented by:

	£
Valuation in 2017	(250,000)
Cost	1,550,000
	<u>1,300,000</u>

If investment property had not been revalued it would have been included at the following historical cost:

	2017 £	2016 £
Cost	<u>1,550,000</u>	<u>1,550,000</u>

Investment property was valued on an open market basis on 31 August 2017 by the directors.

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 August 2017**

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	209,235	504,934	-	-
Amounts owed by group undertakings	-	-	46,003	-
Amounts owed by participating interests	172,256	93,067	16,000	-
Other debtors	57,375	7,596	-	-
Tax	-	-	-	18,829
Prepayments and accrued income	96,752	96,214	-	12,500
	<u>535,618</u>	<u>701,811</u>	<u>62,003</u>	<u>31,329</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts (see note 15)	204,125	198,114	-	-
Hire purchase contracts (see note 16)	201,543	303,607	-	-
Trade creditors	653,763	300,050	-	-
Amounts owed to group undertakings	-	-	-	22,786
Amounts owed to participating interests	-	65,849	-	-
Tax	84,046	75,589	14,605	-
Social security and other taxes	16,671	14,716	-	-
VAT	346,810	265,197	-	-
Accruals and deferred income	57,812	31,486	2,400	1,200
	<u>1,564,770</u>	<u>1,254,608</u>	<u>17,005</u>	<u>23,986</u>

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>	
	2017	2016
	£	£
Bank loans (see note 15)	157,148	361,273
Hire purchase contracts (see note 16)	129,928	281,595
	<u>287,076</u>	<u>642,868</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 August 2017**

**15. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>	
	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>204,125</u>	<u>198,114</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>157,148</u>	<u>204,125</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>-</u>	<u>157,148</u>

**16. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

	<b>Hire purchase contracts</b>	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	201,543	303,607
Between one and five years	<u>129,928</u>	<u>281,595</u>
	<u>331,471</u>	<u>585,202</u>

**Group**

	<b>Non-cancellable operating leases</b>	
	2017	2016
	£	£
Within one year	155,694	103,694
Between one and five years	<u>1,668</u>	<u>1,668</u>
	<u>157,362</u>	<u>105,362</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 August 2017**

**17. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>	
	2017	2016
	£	£
Bank loans	361,273	559,387
Hire purchase contracts	331,471	585,202
	<u>692,744</u>	<u>1,144,589</u>

Bank borrowings are secured by a bond and floating charge. Hire purchase debts are secured over the asset to which they relate.

**18. PROVISIONS FOR LIABILITIES**

	<b>Group</b>	
	2017	2016
	£	£
Deferred tax	<u>148,581</u>	<u>151,268</u>
<b>Group</b>		
		Deferred tax
		£
Balance at 1 September 2016		151,268
Movement in year		(2,687)
Balance at 31 August 2017		<u>148,581</u>

Deferred tax is in respect of capital allowances.

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2017	2016
			£	£
10,000	Ordinary	1	<u>10,000</u>	<u>10,000</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 August 2017**

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**20. RESERVES**

**Group**

	Retained earnings £
At 1 September 2016	2,697,122
Profit for the year	306,525
	<hr/>
At 31 August 2017	<u>3,003,647</u>

**Company**

	Retained earnings £
At 1 September 2016	1,557,343
Deficit for the year	(212,345)
	<hr/>
At 31 August 2017	<u>1,344,998</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 August 2017**

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**21. RELATED PARTY DISCLOSURES**

**Stephen G Dalton & Son**

A partnership in which Mr S G Dalton Snr is the senior partner.

During the period Stephen G Dalton & Son Partnership was invoiced for scrap sales totalling £50,767 (2016: £53,378).

Rent was charged by the Partnership during the period of £140,000 (2016: £199,667).

	2017	2016
	£	£
Amounts due to related party at the balance sheet date	-	65,849

**Dalton Developments Limited**

A company in which Mr S G Dalton Jnr is a director and shareholder.

Rent was charged by Dalton Developments Limited during the period of £nil (2016: £3,667).

	2017	2016
	£	£
Amount due from related party at the balance sheet date	156,256	93,067

**DMR Exports Limited**

A company in which Mr S G Dalton Jnr is a director and shareholder.

During the year DMR Exports Limited were invoiced for scrap sales totalling £6,026,120 (2016: £634,059).

	2017	2016
	£	£
Amount due from related party at the balance sheet date	-	217,243

**22. ULTIMATE CONTROLLING PARTY**

The controlling party is S Dalton (Snr).