

Company Registration No. 02566316 (England and Wales)

HUMPHRIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015



HUMPHRIES LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | J Harry C Harry M Harry |
| Secretary | J Harry |
| Company number | 02566316 |
| Registered office | Bankfield House, Bankfield Mill Regent Road Liverpool Merseyside L20 8RQ |
| Auditor | UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW |
| Business address | Dockland's Wharf 72-76 River Road Barking Essex IG11 0DS |

HUMPHRIES LIMITED

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HUMPHRIES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their strategic report and financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the company continued to be that of recyclers of ferrous and non-ferrous metals. On 31 March 2015, the company stopped trading and transferred all its activities to its parent company.

Principal risks and uncertainties facing the company

The principal risks and uncertainties facing the company arise from fluctuations in both currency exchange rates and open-market prices of recycled ferrous and non-ferrous metals. We make a judgement on the prices offered to suppliers of various metals and other material, having regard to prevailing market conditions and demand and supply information, as well as our anticipation of the time and cost that will be incurred in processing the delivery and despatch, and the currency of payment to be received. The company does not have control over the timing or amount of metals it is offered to purchase.

Use of financial instruments

Our financial risk management objectives are to ensure that there is sufficient working capital for the company. Our use of any financial instruments is not material for the assessment of the assets, liabilities, financial position and loss of the company.

Review of the business

Humphries Ltd ceased to trade as a separate entity after 31st March 2015, and so these results show performance up to that point only. As planned, the company had already begun to operate as a collection yard for the parent company, S Norton & Co Ltd, and the vast majority of the revenue earned was generated from tonnages shipped to the parent's deep sea facilities in Southampton, and from the sale of all stockholdings at the point of hive-up. Likewise, the balance sheet as at 31st March reflects the fact that all fixed assets had been transferred to S Norton by that date.

The company's performance during the year

Turnover increased by 56% on a pro-rata basis, to £3.9m for the 3 months of trading (£9.9m for the year ended 31 December 2014) mostly due to hive-up of the business. The loss for the year was £0.5m (£0.4m for the year to December 2014).

Key performance indicators ('KPIs')

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

HUMPHRIES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Environmental considerations

The company has an ongoing policy to maintain, develop and expand its plant and equipment for processing and recycling metals to enable it to comply with all current health and safety and environment regulations.

On behalf of the board



J Harry

Director

12 August 2016

HUMPHRIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and financial statements for the year ended 31 December 2015.

Directors

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

J Harry
C Harry
M Harry

Results and dividends

The results for the year are set out on page 7.

The directors do not recommend payment of an ordinary dividend.

Auditor

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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.

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.

HUMPHRIES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

On behalf of the board



J Harry

Director

12 August 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUMPHRIES LIMITED

We have audited the financial statements of Humphries Limited for the year ended 31 December 2015 set out on pages 7 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 pages 3 - 4, 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 FRC'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 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

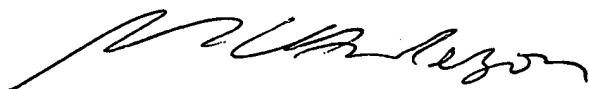
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF HUMPHRIES 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.



Matthew Anderson (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

12 August 2016

Chartered Accountants
Statutory Auditor

HUMPHRIES LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

| | | 2015 | 2014 |
|--|--------------|-------------|-------------|
| | Notes | £ | £ |
| Turnover | 3 | 3,907,930 | 9,980,515 |
| Cost of sales | | (4,245,199) | (9,655,541) |
| Gross (loss)/profit | | (337,269) | 324,974 |
| Administrative expenses | | (265,760) | (772,362) |
| Operating loss | 4 | (603,029) | (447,388) |
| Interest receivable and similar income | 6 | - | 329 |
| Interest payable and similar charges | 7 | (17,306) | (18,525) |
| Loss before taxation | | (620,335) | (465,584) |
| Taxation | 8 | 122,407 | 106,063 |
| Loss for the financial year | | (497,928) | (359,521) |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | (497,928) | (359,521) |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

HUMPHRIES LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2015**

| | Notes | 2015 £ | £ | 2014 £ | £ |
|---|-------|-------------------------|---|-------------------------|---------|
| Fixed assets | | | | | |
| Tangible assets | 9 | | - | | 782,797 |
| Current assets | | | | | |
| Stocks | 11 | - | | 2,161,405 | |
| Debtors | 12 | 2,758,517 | | 1,777,330 | |
| Cash at bank and in hand | | 59 | | 218 | |
| | | <u>2,758,576</u> | | <u>3,938,953</u> | |
| Creditors: amounts falling due within one year | 13 | (2) | | (1,342,841) | |
| Net current assets | | <u>2,758,574</u> | | <u>2,596,112</u> | |
| Total assets less current liabilities | | <u>2,758,574</u> | | <u>3,378,909</u> | |
| Provisions for liabilities | 16 | - | | (122,407) | |
| Net assets | | <u><u>2,758,574</u></u> | | <u><u>3,256,502</u></u> | |
| Capital and reserves | | | | | |
| Called up share capital | 17 | 100 | | 100 | |
| Profit and loss reserves | | <u>2,758,474</u> | | <u>3,256,402</u> | |
| Total equity | | <u><u>2,758,574</u></u> | | <u><u>3,256,502</u></u> | |

The financial statements were approved by the board of directors and authorised for issue on 12 August 2016 and are signed on its behalf by:

J Harry
Director



Company Registration No. 02566316

HUMPHRIES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

| | Notes | Share capital £ | Profit and loss reserves £ | Total £ |
|--|-------|-----------------------|-------------------------------------|------------|
| Balance at 1 January 2014 | | 100 | 3,615,923 | 3,616,023 |
| Year ended 31 December 2014: | | | | |
| Loss and total comprehensive income for the year | | - | (359,521) | (359,521) |
| Balance at 31 December 2014 | | 100 | 3,256,402 | 3,256,502 |
| Year ended 31 December 2015: | | | | |
| Loss and total comprehensive income for the year | | - | (497,928) | (497,928) |
| Balance at 31 December 2015 | | 100 | 2,758,474 | 2,758,574 |

HUMPHRIES LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2015**

| | Notes | 2015 £ | £ | 2014 £ | £ |
|---|-------|-----------|-----------|-----------|-----------|
| Cash flows from operating activities | | | | | |
| Cash (absorbed by)/generated from operations | 21 | | (362,335) | | 1,038,710 |
| Interest paid | | | (17,306) | | (18,525) |
| Income taxes refunded/(paid) | | | 247,026 | | (57,056) |
| | | | | | |
| Net cash (outflow)/inflow from operating activities | | | (132,615) | | 963,129 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | - | | (542,000) | |
| Proceeds on disposal of tangible fixed assets | | 685,914 | | - | |
| Interest received | | - | | 329 | |
| | | | | | |
| Net cash generated from/(used in) investing activities | | | 685,914 | | (541,671) |
| Net cash used in financing activities | | | | | |
| | | | - | | - |
| Net increase in cash and cash equivalents | | | 553,299 | | 421,458 |
| Cash and cash equivalents at beginning of year | | | (553,242) | | (974,700) |
| | | | | | |
| Cash and cash equivalents at end of year | | | 57 | | (553,242) |
| Relating to: | | | | | |
| Cash at bank and in hand | | | 59 | | 218 |
| Bank overdrafts included in creditors payable within one year | | | (2) | | (553,460) |

HUMPHRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Humphries Limited is a company limited by shares incorporated in England and Wales. The registered office is Bankfield House, Bankfield Mill, Regent Road, Liverpool, Merseyside, L20 8RQ.

1.1 Accounting convention

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

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 on 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 31 December 2015 are the first financial statements of Humphries 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 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

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 is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

HUMPHRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.4 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------------------|----------------------------|
| Leasehold land and buildings | over the term of the lease |
| Plant and machinery | 25% reducing balance |
| Fixtures, fittings & equipment | 25% reducing balance |
| Motor vehicles | 25% 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.

1.5 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.

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.

HUMPHRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.6 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 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.

1.7 Cash and cash equivalents

Cash and cash equivalents 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.

1.8 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

HUMPHRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

HUMPHRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

HUMPHRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

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 profit and loss account 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 tax 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 Leases

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.

1.13 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 the profit and loss account.

HUMPHRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

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:

| | 2015 £ | 2014 £ |
|----------------------------------|-------------------|-------------------|
| Turnover | | |
| Sale of goods | 3,907,930 | 9,980,515 |
| | <u> </u> | <u> </u> |
| Other significant revenue | | |
| Interest income | - | 329 |
| | <u> </u> | <u> </u> |

Turnover analysed by geographical market

| | 2015 £ | 2014 £ |
|----------------|-------------------|-------------------|
| United Kingdom | 3,907,930 | 9,980,515 |
| | <u> </u> | <u> </u> |

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom,

HUMPHRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

4 Operating loss

| | 2015 | 2014 |
|---|-------------------|-------------------|
| | £ | £ |
| Operating loss for the year is stated after charging/(crediting): | | |
| Exchange gains/(losses) | (271) | 35 |
| Fees payable to the company's auditor for the audit of the company's financial statements | - | 10,000 |
| Depreciation of owned tangible fixed assets | 96,883 | 96,782 |
| Cost of stocks recognised as an expense | 4,132,584 | 9,258,528 |
| Operating lease charges | 76,875 | 307,500 |
| | <u> </u> | <u> </u> |

5 Employees

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

| | 2015 Number | 2014 Number |
|------------|-------------------|-------------------|
| Management | 1 | 2 |
| Production | 5 | 11 |
| | <u> </u> | <u> </u> |
| | 6 | 13 |
| | <u> </u> | <u> </u> |

Their aggregate remuneration comprised:

| | 2015 £ | 2014 £ |
|-----------------------|-------------------|-------------------|
| Wages and salaries | 69,774 | 328,984 |
| Social security costs | 4,201 | 29,689 |
| | <u> </u> | <u> </u> |
| | 73,975 | 358,673 |
| | <u> </u> | <u> </u> |

6 Interest receivable and similar income

| | 2015 £ | 2014 £ |
|-----------------------|-----------------|-----------------|
| Interest income | | |
| Other interest income | - | 329 |
| | <u> </u> | <u> </u> |

HUMPHRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

7 Interest payable and similar charges

| | 2015 | 2014 |
|--|--------|--------|
| | £ | £ |
| Interest on financial liabilities measured at amortised cost: | | |
| Interest on bank overdrafts and loans | 17,306 | 18,525 |

8 Taxation

| | 2015 | 2014 |
|--|-----------|-----------|
| | £ | £ |
| Current tax | | |
| Adjustments in respect of prior periods | - | (10,853) |
| Group tax relief | - | (179,117) |
| Total current tax | - | (189,970) |
| Deferred tax | | |
| Origination and reversal of timing differences | (122,407) | 83,907 |
| Total tax charge | (122,407) | (106,063) |

The charge for the year can be reconciled to the loss per the profit and loss account as follows:

| | 2015 | 2014 |
|--|-----------|-----------|
| | £ | £ |
| Loss before taxation | (620,335) | (465,584) |
| Expected tax charge based on the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%) | (125,618) | (100,101) |
| Tax effect of expenses that are not deductible in determining taxable profit | 68 | 68 |
| Depreciation on assets not qualifying for tax allowances | 3,143 | 4,823 |
| Adjustments to previous periods | - | (10,853) |
| Tax expense for the year | (122,407) | (106,063) |

HUMPHRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

9 Tangible fixed assets

| | Leasehold land and buildings | Plant and machinery | Fixtures, fittings & equipment | Motor vehicles | Total |
|------------------------------------|---------------------------------|---------------------|-----------------------------------|----------------|-------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 January 2015 | 72,861 | 2,497,012 | 21,228 | 344,309 | 2,935,410 |
| Disposals | (72,861) | (2,497,012) | (21,228) | (344,309) | (2,935,410) |
| At 31 December 2015 | - | - | - | - | - |
| Depreciation and impairment | | | | | |
| At 1 January 2015 | 21,707 | 1,816,148 | 9,597 | 305,161 | 2,152,613 |
| Depreciation charged in the year | 51,155 | 42,554 | 727 | 2,447 | 96,883 |
| Eliminated in respect of disposals | (72,862) | (1,858,702) | (10,324) | (307,608) | (2,249,496) |
| At 31 December 2015 | - | - | - | - | - |
| Carrying amount | | | | | |
| At 31 December 2015 | - | - | - | - | - |
| At 31 December 2014 | 51,154 | 680,864 | 11,631 | 39,148 | 782,797 |

10 Financial instruments

| | 2015 £ | 2014 £ |
|---|-----------|-----------|
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | 2,757,917 | 1,384,321 |
| Carrying amount of financial liabilities | | |
| Measured at amortised cost | 2 | 1,328,407 |

11 Stocks

| | 2015 £ | 2014 £ |
|-------------------------------------|-----------|-----------|
| Finished goods and goods for resale | - | 2,161,405 |

HUMPHRIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015****12 Debtors**

| | 2015 | 2014 |
|---|------------------|------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | - | 17,552 |
| Corporation tax recoverable | - | 247,026 |
| Amount due from parent undertaking | 2,757,917 | 1,366,129 |
| Other debtors | 600 | 63,774 |
| Prepayments and accrued income | - | 82,849 |
| | <u>2,758,517</u> | <u>1,777,330</u> |

13 Creditors: amounts falling due within one year

| | Notes | 2015 | 2014 |
|------------------------------------|-------|----------|------------------|
| | | £ | £ |
| Bank loans and overdrafts | 14 | 2 | 553,460 |
| Trade creditors | | - | 392,926 |
| Other taxation and social security | | - | 14,434 |
| Other creditors | | - | 14,273 |
| Accruals and deferred income | | - | 367,748 |
| | | <u>2</u> | <u>1,342,841</u> |

14 Loans and overdrafts

| | 2015 | 2014 |
|-------------------------|----------|----------------|
| | £ | £ |
| Bank overdrafts | <u>2</u> | <u>553,460</u> |
| Payable within one year | <u>2</u> | <u>553,460</u> |

The bank overdraft is secured by a cross guarantee and debenture between the company, its parent company and its fellow subsidiary undertaking.

HUMPHRIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2015**15 Provisions for liabilities**

| | | 2015 | 2014 |
|--------------------------|-----------|-------------|----------------|
| | | £ | £ |
| Deferred tax liabilities | 16 | - | 122,407 |
| | | <u>-</u> | <u>122,407</u> |
| | | <u>-</u> | <u>122,407</u> |

16 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 | Liabilities |
|--------------------------------|--------------------|--------------------|
| | 2015 | 2014 |
| | £ | £ |
| Balances: | | |
| Accelerated capital allowances | - | 122,407 |
| | <u>-</u> | <u>122,407</u> |
| Movements in the year: | | 2015 |
| | | £ |
| Liability at 1 January 2015 | | 122,407 |
| Credit to profit and loss | | (122,407) |
| | | <u>-</u> |
| Liability at 31 December 2015 | | <u>-</u> |

17 Share capital

| | 2015 | 2014 |
|----------------------------------|--------------|--------------|
| | £ | £ |
| Ordinary share capital | | |
| Authorised | | |
| 1,000 Ordinary shares of £1 each | 1,000 | 1,000 |
| | <u>1,000</u> | <u>1,000</u> |
| Issued and fully paid | | |
| 100 Ordinary shares of £1 each | 100 | 100 |
| | <u>100</u> | <u>100</u> |

HUMPHRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

18 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2015 | 2014 |
|----------------------------|----------|------------------|
| | £ | £ |
| Within one year | - | 307,500 |
| Between two and five years | - | 1,230,000 |
| In over five years | - | 2,075,625 |
| | <u>-</u> | <u>3,613,125</u> |
| | <u>-</u> | <u>3,613,125</u> |

19 Events after the reporting date

On 31 March 2016 the company paid a dividend of £2,600,000 to its parent company.

20 Controlling party

The ultimate parent company is S Norton & Co Limited, which is registered in England and Wales.

Control of the company rests with the company's directors.

S Norton & Co Limited prepares group financial statements and copies can be obtained from Bankfield House, Bankfield Mill, Regent Road, Liverpool, Merseyside, L20 8RQ.

HUMPHRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

21 Cash generated from operations

| | 2015 £ | 2014 £ |
|--|------------------|------------------|
| Loss for the year after tax | (497,928) | (359,521) |
| Adjustments for: | | |
| Taxation credited | (122,407) | (106,063) |
| Finance costs | 17,306 | 18,525 |
| Investment income | - | (329) |
| Depreciation and impairment of tangible fixed assets | 96,883 | 96,782 |
| Movements in working capital: | | |
| Decrease/(increase) in stocks | 2,161,405 | (1,261,705) |
| (Increase)/decrease in debtors | (1,228,213) | 2,538,931 |
| (Decrease)/increase in creditors | (789,381) | 112,090 |
| Cash (absorbed by)/generated from operations | (362,335) | 1,038,710 |