

Registered number: SC064659

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**CHARLES J. MARSHALL
(ABERDEEN) LIMITED**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2016

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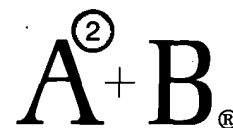
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CHARLES J. MARSHALL (ABERDEEN) LIMITED

COMPANY INFORMATION



Directors	C J Marshall (deceased 13 July 2016) Mrs M C Marshall C R Marshall K D Marshall (resigned 15 March 2016) Mrs A B Marshall (appointed 15 March 2016)
Company secretary	Mrs M C Marshall
Registered number	SC064659
Registered office	Chapel Works Bucksburn Aberdeen AB21 9TL
Independent auditors	Anderson Anderson & Brown LLP Kingshill View Prime Four Business Park Kingswells Aberdeen AB15 8PU

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Principal activities

The company's principal activity during the year continued to be the manufacture of agricultural machinery.

Business review

The directors are satisfied with the results for the year.

The company continues to expand geographically.

Principal risks and uncertainties

Outwith the general economic climate the main risks remain competition from similar businesses throughout the UK as well as the availability of materials for manufacture.

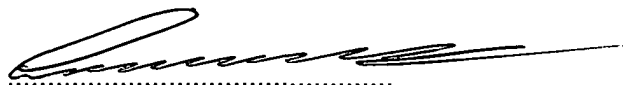
Financial key performance indicators

The directors consider turnover and gross profit to be the key performance indicators and these measures are continually monitored.

Future outlook

Looking ahead the directors are optimistic that further client wins will add to the company's results in 2016/2017.

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

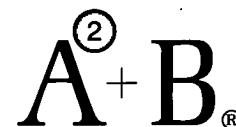


C R Marshall
Director

Date: 12 June 2017

CHARLES J. MARSHALL (ABERDEEN) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2016**



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

Results and dividends

The profit for the year, after taxation, amounted to £276,777 (2015 - £356,487).

During the year the company paid a dividend of £650,000 (2015 - NIL).

Directors

The directors who served during the year were:

C J Marshall (deceased 13 July 2016)
Mrs M C Marshall
C R Marshall
K D Marshall (resigned 15 March 2016)
Mrs A B Marshall (appointed 15 March 2016)

Future developments

Looking ahead the directors are optimistic that further client wins will add to the company's results in 2016/2017.

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

Post balance sheet events

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

Auditors

The auditors, Anderson Anderson & Brown LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



.....
C R Marshall
Director

Date: 12 June 2017

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2016**

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
CHARLES J. MARSHALL (ABERDEEN) LIMITED**

We have audited the financial statements of Charles J. Marshall (Aberdeen) Limited for the year ended 30 November 2016, set out on pages 6 to 24. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of Directors and Auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

CHARLES J. MARSHALL (ABERDEEN) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
CHARLES J. MARSHALL (ABERDEEN) 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.

Anderson Anderson & Brown LLP

Derek Mair (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown LLP

Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU

Date:

12 June 2017

CHARLES J. MARSHALL (ABERDEEN) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2016



	Note	2016 £	2015 £
Turnover	4	6,327,390	6,365,949
Cost of sales		(4,470,140)	(4,289,036)
Gross profit		<u>1,857,250</u>	<u>2,076,913</u>
Administrative expenses		(1,580,755)	(1,686,914)
Fair value movements		14,295	-
Operating profit	5	<u>290,790</u>	<u>389,999</u>
Interest receivable and similar income	9	<u>61,524</u>	<u>45,517</u>
Profit before tax		<u>352,314</u>	<u>435,516</u>
Tax on profit	10	(75,537)	(79,029)
Profit for the year		<u><u>276,777</u></u>	<u><u>356,487</u></u>
Total comprehensive income for the year		<u><u>276,777</u></u>	<u><u>356,487</u></u>

CHARLES J. MARSHALL (ABERDEEN) LIMITED
REGISTERED NUMBER:SC064659



BALANCE SHEET
AS AT 30 NOVEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	12	393,525	520,264
Investments	13	1,685,795	1,671,500
		<u>2,079,320</u>	<u>2,191,764</u>
Current assets			
Stocks	14	2,502,745	2,537,977
Debtors: amounts falling due after more than one year	15	242,402	96,587
Debtors: amounts falling due within one year	15	1,197,955	1,559,587
Cash at bank and in hand	16	3,811,768	6,607,546
		<u>7,754,870</u>	<u>10,801,697</u>
Creditors: amounts falling due within one year	17	(1,486,735)	(1,241,528)
Net current assets		<u>6,268,135</u>	<u>9,560,169</u>
Total assets less current liabilities		<u>8,347,455</u>	<u>11,751,933</u>
Provisions for liabilities			
Deferred tax	19	(121,659)	(152,914)
		<u>(121,659)</u>	<u>(152,914)</u>
Net assets		<u><u>8,225,796</u></u>	<u><u>11,599,019</u></u>
Capital and reserves			
Called up share capital	20	60,000	90,000
Capital redemption reserve		40,000	10,000
Profit and loss account		8,125,796	11,499,019
		<u><u>8,225,796</u></u>	<u><u>11,599,019</u></u>

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

C R Marshall
Director

Date: 12 June 2017

The notes on pages 10 to 24 form part of these financial statements.

CHARLES J. MARSHALL (ABERDEEN) LIMITED



**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2016**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 December 2015	90,000	10,000	11,499,019	11,599,019
Comprehensive income for the year				
Profit for the year	-	-	276,777	276,777
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	276,777	276,777
Dividends: Equity capital	-	-	(650,000)	(650,000)
Purchase of own shares	-	30,000	(3,000,000)	(2,970,000)
Shares redeemed during the year	(30,000)	-	-	(30,000)
Total transactions with owners	(30,000)	30,000	(3,650,000)	(3,650,000)
At 30 November 2016	<u>60,000</u>	<u>40,000</u>	<u>8,125,796</u>	<u>8,225,796</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2015**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 December 2014	90,000	10,000	11,142,532	11,242,532
Comprehensive income for the year				
Profit for the year	-	-	356,487	356,487
At 30 November 2015	<u>90,000</u>	<u>10,000</u>	<u>11,499,019</u>	<u>11,599,019</u>

The notes on pages 10 to 24 form part of these financial statements.

CHARLES J. MARSHALL (ABERDEEN) LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 NOVEMBER 2016



	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	276,777	356,487
Adjustments for:		
Depreciation of tangible assets	171,243	175,142
Loss on disposal of tangible assets	(4,681)	(13,000)
Increase in stocks	35,232	(30,425)
Interest received	(61,524)	(45,517)
Taxation	75,537	79,029
Increase in debtors	215,817	19,458
Increase in creditors	223,113	(165,251)
Fair value of investment	(14,295)	-
Corporation tax	(84,698)	11,157
Net cash generated from operating activities	832,521	387,080
Cash flows from investing activities		
Purchase of tangible fixed assets	(57,823)	(246,742)
Sale of tangible fixed assets	18,000	13,000
Interest received	61,524	45,517
Net cash from investing activities	21,701	(188,225)
Cash flows from financing activities		
Dividends paid	(650,000)	-
Share repurchase	(3,000,000)	-
Net cash used in financing activities	(3,650,000)	-
Net increase / (decrease) in cash and cash equivalents	(2,795,778)	198,855
Cash and cash equivalents at beginning of year	6,607,546	6,408,691
Cash and cash equivalents at the end of year	3,811,768	6,607,546
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,811,768	6,607,546
	3,811,768	6,607,546

The notes on pages 10 to 24 form part of these financial statements.

1. General information

Charles J Marshall (Aberdeen) Limited is incorporated in Scotland. The registered office is Chapel Works, Bucksburn, Aberdeen, AB21 9TL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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 24.

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 directors, having made due and careful enquiry, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operations existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Revenue

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

Sale of goods

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

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

2. Accounting policies (continued)

2.4 Tangible fixed assets

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

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	- over 20 years
Land	- not depreciated
Plant & equipment	- 3 - 7 years
Motor vehicles	- 4 years
Tenants' improvements	- over remaining period of lease

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 comprehensive income.

2.5 Valuation of investments

Investments held as fixed assets are shown at valuation less provision for impairment.

2.6 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 weighted average 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 profit or loss.

2.7 Debtors

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

2. Accounting policies (continued)

2.8 Cash and cash equivalents

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

2.9 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 debtors and creditors, 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 comprehensive income.

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

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

2.10 Creditors

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

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

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.

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.14 Pensions

Defined contribution pension plan

The company contributes to 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 payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income 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.

2.15 Interest income

Interest income is recognised in the Statement of comprehensive income in the period it is earned.

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge 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.

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

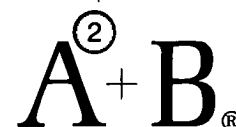
The preparation of financial statements, requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported during the year for revenue and costs. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following judgements and estimates have had the most significant impact on amounts recognised in the financial statements.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the useful economic lives and residual values of the assets. Useful lives and residual values are reassessed annually. They are assessed where necessary to reflect current estimates based on economic utilisation and physical condition.

Stock valuation

The company makes an assessment on the recoverability of the cost of stock and whether any stock provision is required. When calculating the stock provision, management considers the nature and condition of stock as well as applying assumptions around anticipated future usage based on past experience.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**4. Turnover**

No analysis of turnover by geographical region is provided, as the directors believe doing so would seriously prejudice the company's interests.

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	171,243	175,142
Fees payable to the company's auditor for the audit of the company's annual financial statements	10,100	10,100
Exchange differences	(32,580)	20,791
Other operating lease rentals	300,000	300,328
Defined contribution pension cost	15,647	9,401
	<u>171,243</u>	<u>175,142</u>

6. Auditors' remuneration

	2016 £	2015 £
Fees payable to the company's auditor for the audit of the company's annual accounts	10,100	10,100
	<u>10,100</u>	<u>10,100</u>

7. Employees

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

	2016 £	2015 £
Wages and salaries	1,499,053	1,523,286
Social security costs	154,741	161,614
Cost of defined contribution scheme	15,647	9,401
	<u>1,669,441</u>	<u>1,694,301</u>

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

	2016 No.	2015 No.
Management	3	4
Administration and sales	5	3
Operations	46	49
	<u>54</u>	<u>56</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016



8. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	14,840	60,194
	<u>14,840</u>	<u>60,194</u>

During the year retirement benefits were accruing to no directors (2015 - 0)

No pension contributions were paid by the company in respect of the directors (2015 - 0)

9. Interest receivable

	2016 £	2015 £
Other interest receivable	61,524	45,517
	<u>61,524</u>	<u>45,517</u>

10. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	106,792	84,695
Adjustments in respect of previous periods	-	(209)
	<u>106,792</u>	<u>84,486</u>
Total current tax	<u>106,792</u>	<u>84,486</u>
Deferred tax		
Origination and reversal of timing differences	(22,760)	10,380
Effect of tax rate change on opening balances	(8,495)	(15,837)
	<u>(31,255)</u>	<u>(5,457)</u>
Total deferred tax	<u>(31,255)</u>	<u>(5,457)</u>
Taxation on profit on ordinary activities	<u>75,537</u>	<u>79,029</u>

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

The tax assessed for the year is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.33%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	352,314	435,516
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.33%)	70,463	88,540
Effects of:		
Expenses not deductible for tax purposes	9,030	8,236
Other timing differences	524	(807)
Change in rate of deferred tax	(4,480)	(15,837)
Adjustments to tax charge in respect of prior periods	-	(209)
Marginal relief	-	(894)
Total tax charge for the year	75,537	79,029

11. Dividends

	2016 £	2015 £
Dividends - £10.83 per share (2015 - £NIL per share)	650,000	-
	650,000	-

The dividend was declared on 29 March 2016.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016

12. Tangible fixed assets

	Freehold property £	Tenants improvement s £	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 December 2015	38,274	777,700	1,796,976	1,035,463	3,648,413
Additions	-	10,452	47,371	-	57,823
Disposals	-	-	(12,271)	(56,043)	(68,314)
At 30 November 2016	38,274	788,152	1,832,076	979,420	3,637,922
Depreciation					
At 1 December 2015	26,074	720,326	1,549,303	832,446	3,128,149
Charge for the period	-	5,602	88,197	77,444	171,243
Disposals	-	-	(12,271)	(42,724)	(54,995)
At 30 November 2016	26,074	725,928	1,625,229	867,166	3,244,397
Net book value					
At 30 November 2016	12,200	62,224	206,847	112,254	393,525
At 30 November 2015	12,200	57,374	247,673	203,017	520,264

Included in freehold property is land at a cost of £12,200 (2015 - £12,200) which is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**13. Fixed asset investments**

	Other fixed asset investments £
Cost or valuation	
At 1 December 2015 (as previously stated)	1,000,000
Prior Year Adjustment	671,500
	<hr/>
At 1 December 2015 (as restated)	1,671,500
Revaluations	14,295
	<hr/>
At 30 November 2016	1,685,795
	<hr/>
Net book value	
At 30 November 2016	1,685,795
	<hr/> <hr/>
At 30 November 2015 (as restated)	1,671,500
	<hr/> <hr/>

Investment relates to amounts held in an offshore bond. This is included at fair value under FRS 102.

14. Stocks

	2016 £	2015 £
Raw materials and consumables	1,845,922	1,908,932
Work in progress	86,578	83,003
Finished goods and goods for resale	569,745	545,542
Fuel	500	500
	<hr/>	<hr/>
	2,502,745	2,537,977
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016

15. Debtors

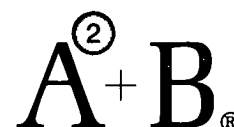
	2016 £	2015 £
Due after more than one year		
Other debtors	242,402	96,587
	<u>242,402</u>	<u>96,587</u>
	2016 £	2015 £
Due within one year		
Trade debtors	1,054,067	1,538,321
Other debtors	122,693	2,613
Prepayments and accrued income	21,195	18,653
	<u>1,197,955</u>	<u>1,559,587</u>

16. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	3,811,768	6,607,546
	<u>3,811,768</u>	<u>6,607,546</u>

17. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	190,374	185,646
Corporation tax	106,789	84,695
Taxation and social security	136,123	148,976
Other creditors	650,000	340,000
Accruals and deferred income	403,449	482,211
	<u>1,486,735</u>	<u>1,241,528</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016

18. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	3,811,768	6,607,546
Financial assets that are debt instruments measured at amortised cost	1,419,162	1,637,521
	<u>5,230,930</u>	<u>8,245,067</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(593,823)	(667,857)
	<u>(593,823)</u>	<u>(667,857)</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank.

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors and accruals.

19. Deferred taxation

	2016 £	2015 £
At beginning of year	(152,914)	(158,371)
Charged to profit or loss	31,255	5,457
At end of year	<u>(121,659)</u>	<u>(152,914)</u>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(18,919)	(32,044)
Short term timing differences	(102,740)	(120,870)
	<u>(121,659)</u>	<u>(152,914)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**20. Share capital**

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
60,000 (2015 - 90,000) Ordinary shares of £1 each	60,000	90,000

During the year, 30,000 Ordinary shares of £1 each were bought back by the company.

21. Capital commitments

At 30 November 2016 the company had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	-	33,000

22. Commitments under operating leases

At 30 November 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	300,000	300,000
Total	300,000	300,000

23. Related party transactions

Control

Throughout the year the company was controlled by the directors.

Transactions

During the year the company had the following transactions with related parties:

Related party	Transaction	£	Balance at year end £
Director	Loan	(310,000)	
	Rent	(150,000)	
	Dividend	(650,000)	(650,000)

The director's loan balance does not have set repayment terms and no interest is payable thereon. The maximum amount outstanding during the year was £650,000.

Key management personnel

Those who have authority and responsibility for planning, directing and controlling the activities of a company are considered key management personnel. There are no such personnel other than the company's director whose remuneration is already disclosed at note 8.

24. First time adoption of FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 December 2014. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 December 2014

	Note	£
Equity at 1 December 2014 under previous UK GAAP		10,705,941
Investment fair value movement	1	671,500
Deferred tax on investment	2	(134,909)
Equity shareholders funds at 1 December 2014 under FRS 102		11,242,532

Reconciliation of equity at 30 November 2015

	Note	£
Equity at 30 November 2015 under previous UK GAAP		11,048,389
Investment fair value movement	1	671,500
Deferred tax on investment	2	(120,870)
Equity shareholders funds at 30 November 2015 under FRS 102		11,599,019

Reconciliation of profit and loss account for the year ended 30 November 2015

		£
Profit for the year under UK GAAP		342,448
Deferred tax movement on investment	2	14,039
Profit for the year ended 30 November 2015 under FRS 102		356,487

The following were changes in accounting policies arising from the transition to FRS 102:

- 1 Inclusion of the fair value adjustment in respect to the investment, held at cost under UK GAAP
- 2 Inclusion of deferred tax liability relating to investment