

Multi Metals Limited

**Annual report and financial statements
for the year ended 31 December 2016**

Registered number: SC064671

TUESDAY



S68IKMXE

SCT

13/06/2017

#51

COMPANIES HOUSE

Annual report and financial statements

Company Information

Directors

Sir D E Murray

G Hill

D B Lawson

S Collard

Auditors

Ernst & Young LLP

G1

5 George Square

Glasgow

G2 1DY

Registered Office

26 Charlotte Square

Edinburgh

EH2 4ET

Annual report and financial statements

Contents	Page
Strategic report	1
Directors' report	3
Independent auditor's report	5
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Notes to the financial statements	10

Strategic report

The directors present their strategic report on the affairs of the company, together with the directors' report, financial statements and auditor's report, for the year ended 31 December 2016.

Principal activities and business review

The principal activity of the company is metals stockholding, processing and distribution.

A slowdown in the activity of some key customers had an impact on trading in the year. Revenue falls were mitigated by the gain of a new contract to supply aluminium sheet to an existing key customer but the margin deteriorated as the sales mix changed to a higher proportion of lower margin sheet sales. The Director's expect the sales mix to rebalance going forward as existing customers increase activity and new business is developed.

A decision was taken to invest in the commercialisation of the Alphastrut product range, for which the business has the distribution licence and this added to the operating cost base. The Directors expect to see a return on this investment over the following few years as the Oil and Gas sector returns and new markets for the Alphastrut product range are identified and penetrated.

A summary of the trading results is given on page 7, which shows turnover for the year to 31 December 2016 of £8,338,128 (2015: £8,368,829) and an operating loss of £41,176 (2015: operating profit of £367,439). After interest charges of £58,901 (2015: £57,012) the pre-tax company result for the year to 31 December 2016 was a loss of £100,077 (2015 Profit: £310,427).

The statement of financial position is given on page 8 of the financial statements, which show the company position at the 31 December 2016 with £3,994,898 of shareholder's funds (2015: £4,094,975).

The business strategy is to maximise net profit and this is managed through the daily monitoring of turnover and gross margin and monthly monitoring of net profit.

Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the company can continue in operational existence for the foreseeable future; that is for at least 12 months from the date of signing of the financial statements.

The company is funded by a combination of operating cash flows and bank loans. As disclosed in note 13 to the financial statements, loan facilities have been put in place until at least 30 March 2020, and will continue on a rolling basis thereafter, or upon receiving 6 months' notice. The bank has confirmed that it is not their current intention to serve notice for a period of at least 12 months from the date of signing the financial statements.

The company forecasts have been prepared for a period extending to more than twelve months from the date of signing these financial statements, reflecting continued organic growth and returns from new investments. These show that the company will have adequate resources to continue in operational existence for the foreseeable future. The directors therefore consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

Financial risk management

Credit risk

The company is exposed to credit related losses in the event of non-performance by counterparties to financial instruments, but mitigates such risk, through its policy of selecting only counterparties with high credit ratings and ensuring credit insurance is obtained where required.

Strategic report (continued)

Financial risk management (continued)

Liquidity risk

Operations are financed by a mixture of shareholder's funds and bank borrowings. The objective is to ensure a mix of funding methods offering flexibility and cost effectiveness to match the needs of the company.

Cashflow risk

The company's policy is to arrange bank loans and overdrafts with a floating rate of interest plus an agreed margin. In order to operate within available bank loan facilities the company controls its working capital through target inventory turns and monitoring creditor and debtor days.

Foreign currency risk

In order to mitigate against the company's exposure to exchange rate movements, the company enters into non speculative foreign currency hedging instruments based on likely future foreign currency cash flows.

Stock replacement cost risk

The company's trading margins are subject to movements in the replacement cost of material, particularly on commodity grades. The company mitigates the impact of replacement cost losses on its trading results by utilising its long term relationships with key suppliers to buy commodity grades on short lead times and target a quick stock turn.

Approved by the Board of Directors and signed on behalf of the Board:



G. Hill
Director

26 May 2017

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2016

Directors

The directors who served during the year and to the date of this report are as follows:

Sir D E Murray

G Hill

D B Lawson

S Collard

Dividends

The directors do not recommend the payment of a dividend (2015: £nil).

Director's responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 and 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 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; and
- 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.

Directors' report (continued)

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that they ought to have taken to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to re-appoint Ernst & Young LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board:



G. Hill
Director

26 May 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULTI METALS LIMITED

We have audited the financial statements of Multi Metals Limited for the year 31 December 2016 which comprise the Profit and Loss account, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 19. 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 to the UK and Republic of Ireland'.

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULTI METALS LIMITED (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

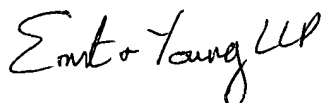
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The Strategic Report and the Directors Report' have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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.



Mark Harvey (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP

Statutory Auditor

Glasgow, United Kingdom

17 May 2017

Statement of Comprehensive Income

For the year ended 31 December 2016

	Notes	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Turnover	2	8,338,128	8,368,829
Cost of sales		(6,965,632)	(6,903,630)
Gross profit		1,372,496	1,465,199
Other operating expenses	3	(1,413,672)	(1,097,760)
Operating (loss)/profit		(41,176)	367,439
Interest payable and similar charges	4	(58,901)	(57,012)
(Loss)/profit on ordinary activities before taxation	5	(100,077)	310,427
Tax on (loss)/profit on ordinary activities	7	-	-
(Loss)/profit for the financial year		(100,077)	310,427
Total comprehensive (expenditure)/income for the financial year		(100,077)	310,427

The results are derived from continuing operations.

The accompanying notes form an integral part of the financial statements.

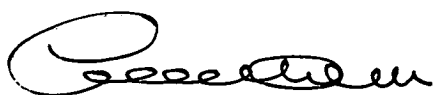
Statement of Financial Position

As at 31 December 2016

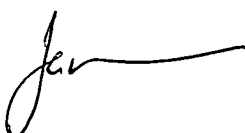
	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	8	140,057	115,522
Current assets			
Stocks	9	1,796,263	1,317,026
Debtors	10	8,162,243	7,049,535
Cash at bank and in hand		5,451	3,954
		9,963,957	8,370,515
Creditors: Amounts falling due within one year	11	(4,051,967)	(2,779,223)
Net current assets		5,911,990	5,591,292
Total assets less current liabilities		6,052,047	5,706,814
Creditors: Amounts falling due after one year	12	(2,057,149)	(1,611,839)
Net assets		3,994,898	4,094,975
Capital and reserves			
Called-up share capital	14	4,425,491	4,425,491
Profit and loss account		(430,593)	(330,516)
Shareholder's funds		3,994,898	4,094,975

The accompanying notes form an integral part of the financial statements.

The financial statements of Multi Metals Limited were approved and authorised by the Board of Directors on 26 May 2017 and signed on its behalf by:



G. Hill
Director



S. Collard
Director

Multi Metals Limited
Company no: SC064671

Statement of Changes in Equity

For the year ended 31 December 2016

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2015	4,425,491	(640,943)	3,784,548
Profit for the year	-	310,427	310,427
Total comprehensive income for the year	-	310,427	310,427
At 1 January 2016	4,425,491	(330,516)	4,094,975
Loss for the year	-	(100,077)	(100,077)
Total comprehensive expenditure for the year	-	(100,077)	(100,077)
At 31 December 2016	4,425,491	(430,593)	3,994,898

Notes to the financial statements

For the year ended 31 December 2016

1. Accounting Policies

The principal accounting policies are summarised below.

Statement of compliance

Multi Metals Limited is a limited liability company incorporated in Scotland. The Registered Office is 26 Charlotte Square, Edinburgh, EH2 4ET.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 December 2016.

Basis of preparation

The financial statements were authorised by issue by the Board of Directors on 26 May 2017. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company.

The company has taken advantage of the following disclosure exemptions under FRS 102:

- a) The requirements of Section 4 *Statement of Financial Position* paragraph 4.12 (a)(iv)
- b) The requirements of Section 7 *Statement of Cash Flows* and Section 3 *Financial Statement Presentation* paragraph 3.17 (d)
- c) the requirement of Section 33 *Related Party Disclosures* paragraph 33.7.

Going concern

The financial statements have been approved on the assumption that the Company remains a going concern. In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the company can continue in operational existence for the foreseeable future; that is for at least 12 months from the date of signing of the financial statements.

The company is funded by a combination of operating cash flows and bank loans. As disclosed in note 13 to the financial statements, loan facilities have been put in place until at least 30 March 2020, and will continue on a rolling basis thereafter, or upon receiving 6 months' notice. The bank has confirmed that it is not their current intention to serve notice for a period of at least 12 months from the date of signing the financial statements.

The company forecasts have been prepared for a period extending to more than twelve months from the date of signing these financial statements, reflecting continued organic growth and returns from new investments. These show that the company will have adequate resources to continue in operational existence for the foreseeable future. The directors therefore consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements

For the year ended 31 December 2016

1. Accounting Policies (continued)

Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Deferred Tax

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 7.

Tangible Fixed Assets

Tangible fixed assets are shown at cost, net of depreciation and any provision for impairment. Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Leasehold improvements	5-20%	per annum straight line
Plant and machinery	10%	per annum straight line
Fixtures and fittings	10 - 33%	per annum straight line
Motor vehicles	25%	per annum straight line

Residual value is calculated on prices prevailing at the date of acquisition. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Turnover

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods

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.

Notes to the financial statements

For the year ended 31 December 2016

1. Accounting Policies (continued)

Pension costs

The company operates defined contribution schemes. The assets of these schemes are held separately from those of the company in independently administered funds. The costs of providing pensions for employees are charged in the profit and loss account as they become payable.

Stocks

Stocks, which comprise goods for resale, are stated at the lower of cost and net realisable value. Cost incurred in bringing each product to its present location and condition is based on purchase cost on a first-in, first-out basis, including transport. Net realisable value is based on estimated normal selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Leases

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Foreign currency

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

Notes to the financial statements

For the year ended 31 December 2016

2 Turnover

Turnover, which is stated net of value added tax, represents the amount derived from the company's principal activity.

	2016	2015
	£	£
Sale of goods	<u>8,338,128</u>	<u>8,368,829</u>

An analysis of turnover by destination is given below.

	2016	2015
	£	£
United Kingdom	7,880,544	7,501,507
Europe	387,019	242,090
Rest of the world	70,565	625,232
	<u>8,338,128</u>	<u>8,368,829</u>

3 Other operating expenses

	2016	2015
	£	£
Selling and distribution costs	865,106	651,671
Administrative expenses	548,566	446,089
	<u>1,413,672</u>	<u>1,097,760</u>

4 Interest payable and similar charges

	2016	2015
	£	£
Bank loans and overdrafts	<u>58,901</u>	<u>57,012</u>

Notes to the financial statements

For the year ended 31 December 2016

5 (Loss)/profit on ordinary activities before taxation

(Loss)/profit on ordinary activities before taxation is stated after charging/ (crediting):

	2016 £	2015 £
Depreciation	42,131	43,366
Operating lease rentals		
- property	204,319	199,016
- plant and machinery	80,283	77,162
Foreign exchange gains	(1,475)	(5,796)
Profit on disposal of tangible fixed assets	-	(15,000)
Auditor's remuneration for the audit of the company	9,900	9,000
	<u> </u>	<u> </u>

6 Staff costs and directors' remuneration

The average monthly number of employees (including executive directors) was:

	2016 Number	2015 Number
Sales	9	10
Warehousing and processing	12	13
Administration	4	3
	<u> </u>	<u> </u>
	25	26
	<u> </u>	<u> </u>

	2016 £	2015 £
The aggregate remuneration comprised:		
Wages and salaries	737,170	611,733
Social security costs	48,802	53,540
Other pension costs (note 16)	17,406	23,790
	<u> </u>	<u> </u>
	803,378	689,063
	<u> </u>	<u> </u>

Directors' remuneration

Remuneration of the directors was £nil in both the current and prior years. Directors' remuneration in both years was borne by other group undertakings with no recharge made to the company.

Notes to the financial statements

For the year ended 31 December 2016

6 Staff costs and directors' remuneration (continued)

Directors' emoluments for the metals group comprised:

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Emoluments for qualifying services	656,626	631,914
Pension contributions	18,719	37,329
	<u>675,345</u>	<u>669,243</u>
Highest paid director:		
Emoluments for qualifying services	286,355	278,728
Pension contributions	6,508	26,036
	<u>292,863</u>	<u>304,764</u>

Two directors were members of defined contribution pension schemes (31 December 2015: two).

Notes to the financial statements

For the year ended 31 December 2016

7 Tax on (loss)/profit on ordinary activities

The tax credit comprises:

	2016 £	2015 £
Current tax		
UK corporation tax	-	-
Total current tax		
Deferred tax		
Origination and reversal of timing differences	(6,482)	(11,604)
Adjustments in respect of prior periods	-	(72)
Impact of tax rate change	6,482	11,676
Total deferred tax	-	-
Total tax on (loss)/profit on ordinary activities	-	-

The difference between the total current tax and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/profit before tax is as follows:

	2016 £	2015 £
(Loss)/profit on ordinary activities before taxation	(100,077)	310,427
 Tax on (loss)/profit on ordinary activities at standard UK corporation tax rate of 20.0% (31 December 2015: 20.25%)	 (20,015)	 62,851
Effects of:		
Tax effect of non-deductible or non-taxable items	2,538	2,218
Change in tax rates	35,184	2,334
Deferred tax not recognised	107,358	17,509
Transfer pricing adjustments	(125,065)	(84,912)
Total tax charge for the year	-	-

Factors that may affect future current and total tax charges

The main rate of corporation tax reduced from 21% to 20%, effective from 1 April 2015. The Finance Act (No 2) 2015, which was substantively enacted on 26 October 2015, includes legislation to reduce the main rate of corporation tax to 19%, effective from 1 April 2017, and to 18%, effective from 1 April 2020. The Finance Act 2016 substantively enacted on 6 September 2016, includes legislation that will further reduce the main rate of corporation tax to 17%, effective from 1 April 2020. The deferred tax in the accounts has been recognised at the rate at which timing differences are expected to reverse, based on the rates substantively enacted as at the balance sheet date.

Notes to the financial statements

For the year ended 31 December 2016

7 Tax on (loss)/profit on ordinary activities (continued)

Deferred taxation

	2016 £	2015 £
Included in debtors (note10)	<u>116,688</u>	<u>116,688</u>

	2016 £	2015 £
As at 1 January	116,688	116,688
Movement in the year	-	-
As at 31 December	<u>116,688</u>	<u>116,688</u>

Deferred tax is provided as follows:

	2016 £	2015 £
Accelerated capital allowances	72,598	101,319
Other short term timing differences	3,010	3,215
Losses carried forward	<u>41,080</u>	<u>12,154</u>
As at 31 December	<u>116,688</u>	<u>116,688</u>

The unrecognised deferred tax asset comprises:

	2016 £	2015 £
Accelerated capital allowances	-	-
Short term timing differences	-	-
Tax losses carried forward	<u>239,112</u>	<u>131,754</u>
	<u>239,112</u>	<u>131,754</u>

Recognition of the deferred tax asset is based on an assessment by management of the ability of the company to generate future taxable profits.

Notes to the financial statements

For the year ended 31 December 2016

8 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2016	169,480	311,934	208,463	2,999	692,876
Additions	-	2,900	51,584	-	54,484
Transfers	-	-	22,102	-	22,102
Disposals	-	-	(73,900)	-	(73,900)
At 31 December 2016	169,480	314,834	208,249	2,999	695,562
Depreciation					
At 1 January 2016	134,286	264,227	175,842	2,999	577,354
Charge for the year	8,596	10,185	23,350	-	42,131
Transfers	-	-	9,919	-	9,919
Disposals	-	-	(73,899)	-	(73,899)
At 31 December 2016	142,882	274,412	135,212	2,999	555,505
Net book value					
At 31 December 2016	26,598	40,422	73,037	-	140,057
At 31 December 2015	35,194	47,707	32,621	-	115,522

9 Stocks

	2016 £	2015 £
Goods for resale	1,796,263	1,317,026

There is no material difference between the balance sheet value of the stock and their replacement cost.

Notes to the financial statements

For the year ended 31 December 2016

10 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	3,125,951	2,095,316
Amounts owed by group undertakings	3,867,077	4,123,966
Amounts owed by related undertakings	861,379	594,761
Other debtors and prepayments	191,148	118,804
Deferred tax	-	-
	<u>8,045,555</u>	<u>6,932,847</u>
Amounts falling due after more than one year:		
Deferred tax asset	116,688	116,688
	<u>8,162,243</u>	<u>7,049,535</u>

11 Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,228,494	1,594,406
Amounts owed to group undertakings	2,548,956	951,797
Amounts owed to related undertakings	55,200	26,800
Other taxation and social security	31,696	110,386
Accruals and deferred income	187,621	95,834
	<u>4,051,967</u>	<u>2,779,223</u>

Amounts owed to group undertakings are non-interest bearing and are repayable on demand.

12 Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Bank loan	<u>2,057,149</u>	<u>1,611,839</u>

Notes to the financial statements

For the year ended 31 December 2016

13 Loans

Repayments on total borrowings are due as follows:

	2016 £	2015 £
Between one and two years	-	1,611,839
Between two and five years	2,057,149	-

Bank loans relate to asset based finance and bears an interest rate of 2.5% above base rate per annum. The loan facility is in place until 30 March 2020, and will continue on a rolling basis thereafter, or upon receiving six months' notice. Security for these loans consists of cross guarantees, fixed charges and floating charges over the assets and undertakings of the company, its immediate parent and fellow subsidiary undertakings.

14 Called-up share capital

	2016 £	2015 £
<i>Allotted, called-up and fully paid</i>		
4,425,491 ordinary shares of £1 each	4,425,491	4,425,491

15 Guarantees

The company has guaranteed bank borrowings of its intermediate parent undertaking, and certain other fellow subsidiary undertakings. The total contingency as at 31 December 2016 amounts to £8,233,617 (2015: £7,519,413). Security for the bank facilities consists of cross guarantees and fixed and floating charge over the assets of the company.

The company has also guaranteed loan notes of £1,137,255 (2015: £1,054,185) issued by Murray Metals Limited, its immediate parent undertaking. This guarantee consists of a floating charge over the assets and undertakings of the company.

16 Pension commitments

The company operates defined contribution pension schemes whose assets are held separately from those of the company in independent trustee administered funds. The pension cost charge represents contributions payable and paid by the company and amounts to £17,406 (2015: £23,790). The pension balance owing at the balance sheet date is £2,702 (2015: £2,861).

Notes to the financial statements

For the year ended 31 December 2016

17 Obligations under leases

Future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Not later than one year	220,761	186,860
Later than one year and not later than five years	438,142	358,401
Later than five years	<u>226,432</u>	<u>396,256</u>

18 Related party transactions

The company has taken advantage of the exemption in FRS 102 and has not disclosed transactions with fellow wholly owned subsidiaries within the Murray Metals Limited group of companies. During the year ended 31 December 2016 the company entered into transactions in the ordinary course of business with related parties outside the Murray Metals Limited group as follows:

	Profit and loss account year ended 31 December 2016 £	Amounts owed from/(to) related parties as at 31 December 2016 £	Profit and loss account year ended 31 December 2015 £	Amounts owed from/(to) related parties as at 31 December 2015 £
Murray Capital Group Limited				
members:				
Capito Limited	-	-	(2,545)	-
Alphastrut Limited	-	861,379	-	594,761
Murray Energy PTE Limited	-	(55,200)	-	(25,174)
Murray Metals Investments Limited	-	-	-	(1,626)
	<u>-</u>	<u>806,179</u>	<u>(2,545)</u>	<u>567,961</u>

19 Ultimate controlling party

The immediate parent company is Murray Metals Limited and the ultimate parent company is Murray Capital Group Limited. The smallest group for which consolidated financial statements are produced is headed by Murray Metals Limited. The largest group for which consolidated financial statements are drawn up is headed by Murray Capital Group Limited. Copies of the consolidated financial statements of Murray Metals Limited and Murray Capital Group Limited are available from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

The ultimate controlling party is Sir D E Murray who directly owns 51% of Murray Capital Group Limited.