COMPANY REGISTRATION NUMBER: 01673421

BM Catalysts Limited

Financial Statements

30 September 2016



HAINES WATTS
Chartered accountant & statutory auditor
10 Stadium Business Court
Millennium Way
Pride Park
Derby
DE24 8HP

BM Catalysts Limited

Financial Statements

Year ended 30 September 2016

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BM Catalysts Limited

Officers and Professional Advisers

The board of directors	J S Massey S M Massey T J J Massey J M W Blinston
Registered office	Reed Mill Sheepbridge Lane Mansfield Nottinghamshire NG18 5DL
Auditor	Haines Watts Chartered accountant & statutory auditor 10 Stadium Business Court Millennium Way Pride Park Derby DE24 8HP

BM Catalysts Limited

Strategic Report

Year ended 30 September 2016

Principal activities

The company's principal activities in the year were the manufacture of catalytic converters, DPFs and front pipes and the retail distribution of tyres and exhaust systems.

Business review

We aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties we face.

The company's main activities continue as noted above.

Turnover has increased from £16.0m in 2015 to £18.1m in 2016 in line with expectations.

Operating profit increased from £0.8m to £1.3m in line with expectations.

Principal risks and uncertainties

The company has transactional currency exposures on both sales and purchases. The devaluation of GBP post-Brexit has produced a short term currency gain. In the longer term the company seeks to mitigate foreign exchange risk through currency hedging.

The company's exposure to interest rates is mitigated by regularly reviewing existing products and understanding the impact of potential changes in interest rates.

The company's cash flow risk is mitigated by a strong bank relationship and careful stock control.

Credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debtors. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The company has trade credit insurance in place to mitigate this risk.

This report was approved by the board of directors on 20/6/2017 and signed on behalf of the board by:

J S Massey
Director

Registered office:
Reed Mill
Sheepbridge Lane
Mansfield
Nottinghamshire
NG18 5DL

BM Catalysts Limited

Directors' Report

Year ended 30 September 2016

The directors present their report and the financial statements of the company for the year ended 30 September 2016.

Directors

The directors who served the company during the year were as follows:

J S Massey
S M Massey
T J J Massey
J M W Blinston
P A Fox (Resigned 5 April 2016)

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

Future developments

Details of the future developments of the Company are provided in the Strategic Report.

Financial instruments

Details of the procedures in place to minimise financial and credit risk of the Company are provided in the Strategic Report.

Directors' 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 law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

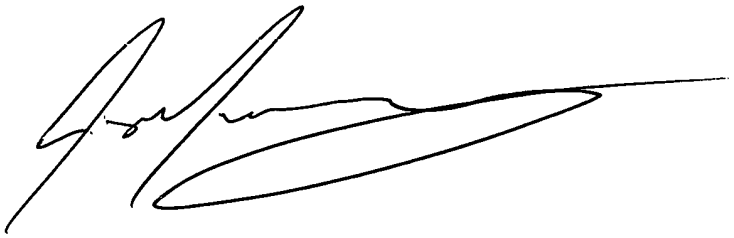
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Auditor

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

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

This report was approved by the board of directors on 20/6/2017 and signed on behalf of the board by:



J S Massey
Director

Registered office:
Reed Mill
Sheepbridge Lane
Mansfield
Nottinghamshire
NG18 5DL

We have audited the financial statements of BM Catalysts Limited for the year ended 30 September 2016 which comprise the statement of income and retained earnings, statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the 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, 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 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 September 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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.

20/6/17

James Liptrott (Senior Statutory Auditor)

For and on behalf of
Haines Watts
Chartered accountant & statutory auditor
10 Stadium Business Court
Millennium Way
Pride Park
Derby
DE24 8HP

BM Catalysts Limited

Statement of Income and Retained Earnings

Year ended 30 September 2016

	Note	2016 £	2015 £
Turnover	4	18,139,290	16,032,697
Cost of sales		12,708,301	11,780,474
Gross profit		5,430,989	4,252,223
Administrative expenses		4,209,305	3,698,214
Other operating income	5	100,655	197,235
Operating profit	6	1,322,339	751,244
Mortgage interest payable	10	15,345	–
Interest payable and similar charges	11	201,786	196,748
Profit on ordinary activities before taxation		1,135,898	554,496
Tax on profit on ordinary activities	12	347,609	218,940
Profit for the financial year and total comprehensive income		788,289	335,556
Dividends paid and payable	13	–	(325,899)
Retained earnings at the start of the year		6,609,444	6,599,787
Retained earnings at the end of the year		7,397,733	6,609,444

All the activities of the company are from continuing operations.

The notes on pages 9 to 20 form part of these financial statements.

BM Catalysts Limited

Statement of Financial Position

30 September 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	14	6,740,218	6,794,674
Investments	15	1	1
		6,740,219	6,794,675
Current assets			
Stocks	16	5,263,896	4,273,483
Debtors	17	5,216,568	4,437,048
Cash at bank and in hand		81,701	202,351
		10,562,165	8,912,882
Creditors: amounts falling due within one year	18	7,129,963	6,014,193
Net current assets		3,432,202	2,898,689
Total assets less current liabilities		10,172,421	9,693,364
Creditors: amounts falling due after more than one year	19	2,476,419	2,779,819
Provisions	21	297,269	303,101
Net assets		7,398,733	6,610,444
Capital and reserves			
Called up share capital	26	1,000	1,000
Profit and loss account	27	7,397,733	6,609,444
Members funds		7,398,733	6,610,444

These financial statements were approved by the board of directors and authorised for issue on 20/6/2017, and are signed on behalf of the board by:

J S Massey
Director

Company registration number: 01673421

The notes on pages 9 to 20 form part of these financial statements.

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Reed Mill, Sheepbridge Lane, Mansfield, Nottinghamshire, NG18 5DL.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

The accounting policies below have been consistently applied to all years presented unless otherwise stated.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 October 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 31.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Belton Massey Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

(a) No cash flow statement has been presented for the company.
(b) Disclosures in respect of financial instruments have not been presented.
(c) Disclosures in respect of share-based payments have not been presented.
(d) No disclosure has been given for the aggregate remuneration of key management personnel.

3. **Accounting policies** *(continued)*

Judgements and key sources of estimation uncertainty

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 judgements that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Property, plant and equipment
Property, plant and equipment represents a significant proportion of the asset base of the company and hence estimates and assumptions made in determining their carrying value are significant to the business. The depreciation charge is derived after determining an estimate of an asset's useful life and residual value at the end of its life. The useful lives and residual values for the company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets.

Stocks
The company manufactures and sells exhaust systems and associated products and is subject to changing technological and regulatory trends. As a result it is necessary to consider the recoverability of the cost of stocks and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials.

Provision for bad debts
The company makes allowance for doubtful debts based on an assessment of the recoverability of trade debtors. Allowances are applied to trade debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, customer concentrations, customer creditworthiness, current economic trends, level of credit insurance in place and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

3. Accounting policies *(continued)*

Income tax *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Plant and machinery	-	15% reducing balance / 33.3% straight line
Fixtures and fittings	-	15% reducing balance / 33.3% straight line
Motor vehicles	-	20% reducing balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Cost is determined on a first-in, first-out (FIFO) basis.

3. **Accounting policies** *(continued)*

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the asset concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2016	2015
	£	£
Sale of goods	18,139,290	16,032,697

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2016	2015
	£	£
United Kingdom	8,994,731	8,368,507
Overseas	9,144,559	7,664,190
	18,139,290	16,032,697

5. Other operating income

	2016	2015
	£	£
Government grant income	–	197,235
Other operating income	100,655	–
	100,655	197,235

Other operating income represents a financial redress payment for insurance overcharges.

6. Operating profit

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible assets	608,200	575,790
Loss on disposal of tangible assets	749	–
Cost of stocks recognised as an expense	8,101,291	7,527,433
Impairment of trade debtors	453,209	(2,496)
Research and development expenditure written off	229,501	268,444
Foreign exchange differences	(76,652)	16,258

7. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	21,800	20,550
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	3,450	–

8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2016	2015
	No.	No.
Production staff	136	151
Administrative staff	42	37
Management staff	4	5
	182	193

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016	2015
	£	£
Wages and salaries	3,873,408	3,699,018
Social security costs	120,497	117,578
Other pension costs	76,990	78,324
	4,070,895	3,894,920

9. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2016	2015
	£	£
Remuneration	380,092	173,476
Company contributions to defined contribution pension plans	56,502	56,683
	436,594	230,159

The number of directors who accrued benefits under company pension plans was as follows:

	2016	2015
	No.	No.
Defined contribution plans	5	5

Remuneration of the highest paid director in respect of qualifying services:

	2016	2015
	£	£
Aggregate remuneration	113,859	64,221
Company contributions to defined contribution pension plans	428	364
	114,287	64,585

10. Mortgage interest payable

	2016 £	2015 £
Gain on financial instruments	15,345	–

11. Interest payable and similar charges

	2016 £	2015 £
Interest on banks loans and overdrafts	93,175	93,531
Interest on obligations under finance leases and hire purchase contracts	34,491	27,173
Other interest payable and similar charges	74,120	76,044
	201,786	196,748

12. Tax on profit on ordinary activities

Major components of tax expense

	2016 £	2015 £
Current tax:		
UK current tax expense	240,565	42,938
Adjustments in respect of prior periods	112,876	110,972
Total current tax	353,441	153,910
Deferred tax:		
Origination and reversal of timing differences	(5,832)	65,030
Tax on profit on ordinary activities	347,609	218,940

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20%).

	2016 £	2015 £
Profit on ordinary activities before taxation	1,135,898	554,496
Profit on ordinary activities by rate of tax	227,180	110,899
Adjustment to tax charge in respect of prior periods	112,876	110,972
Effect of expenses not deductible for tax purposes	–	8,287
Effect of capital allowances and depreciation	6,642	(66,080)
Effect of deferred tax	(5,832)	65,030
Additional deduction for R&D and land remediation expenditure	(28,293)	(30,155)
Other short term timing differences	30,512	1,083
Fixed asset differences	4,524	18,904
Tax on profit on ordinary activities	347,609	218,940

13. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2016 £	2015 £
Dividends on equity shares	–	325,899

14. Tangible assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 October 2015	5,229,672	4,971,127	1,032,384	286,850	11,520,033
Additions	39,110	237,868	207,277	78,908	563,163
Disposals	–	–	–	(35,588)	(35,588)
At 30 September 2016	5,268,782	5,208,995	1,239,661	330,170	12,047,608
Depreciation					
At 1 October 2015	689,730	3,123,791	699,516	212,322	4,725,359
Charge for the year	102,579	369,818	106,713	29,090	608,200
Disposals	–	–	–	(26,169)	(26,169)
At 30 September 2016	792,309	3,493,609	806,229	215,243	5,307,390
Carrying amount					
At 30 September 2016	4,476,473	1,715,386	433,432	114,927	6,740,218
At 30 September 2015	4,539,942	1,847,336	332,868	74,528	6,794,674

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
At 30 September 2016	64,200	644,091	44,228	57,494	810,013
At 30 September 2015	173,623	870,588	404,775	23,962	1,472,948

15. Investments

	Shares in group undertakings £
Cost	
At 1 Oct 2015 and 30 Sep 2016	3
Impairment	
At 1 Oct 2015 and 30 Sep 2016	2
Carrying amount	
At 30 September 2016	1

The company owns 100% of the ordinary share capital of Euroflo Manufacturing Services Limited. Euroflo Manufacturing Services Limited is a dormant company registered in England and Wales.

The aggregate of the share capital and reserves as at 30th September and profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Aggregate of share capital and reserves £1 (2015: £1)

Profit/(loss) for the year £nil (2015: £nil)

The company owns 100% of the ordinary share capital of BM Acquisitions Limited. BM Acquisitions Limited is a dormant company registered in England and Wales.

The aggregate of the share capital and reserves as at 30th September and profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Aggregate of share capital and reserves £2 (2015: £2)

Profit/(loss) for the year £nil (2015: £nil)

16. Stocks

	2016 £	2015 £
Finished goods and goods for resale	5,263,896	4,273,483

17. Debtors

	2016 £	2015 £
Trade debtors	4,595,814	3,949,266
Amounts owed by group undertakings	–	150,000
Prepayments and accrued income	365,097	267,945
Directors loan account	2,906	–
Derivative financial assets	15,345	–
Other debtors	237,406	69,837
	5,216,568	4,437,048

Amounts included within trade debtors at the year end that are amounts subject to debt factoring arrangements totalled £4,929,498 (2015: £3,954,118).

18. Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	4,165,100	3,599,109
Trade creditors	1,183,184	1,233,777
Accruals and deferred income	843,361	482,109
Corporation tax	240,565	14,203
Social security and other taxes	146,299	133,873
Obligations under finance leases and hire purchase contracts	248,092	258,151
Other creditors	303,362	292,971
	7,129,963	6,014,193

The company's bank loan and mortgage are secured by a first legal charge over the freehold properties known as Reed Mill, Fulwood Rise and Herbert Street. Reed Mill and Fulwood Rise are owned by the company, the property at Herbert Street is jointly owned by T J Massey and J S Massey. Further security is also given by life assurance policies against the Directors.

A further EFG loan and all other financing arrangements are secured by a fixed and floating legal charge over all current and future assets of the company.

The bank overdraft bears interest at 2.8% above base rate up to the agreed lending limit and 3.8% thereafter.

The bank loan bears interest at 1.5% over LIBOR. The EFG loan bears interest at 2.55% over LIBOR. The mortgage bears interest at 1.95% over LIBOR. The base rate loan bears interest at 2.65% above the base rate.

Advances in respect of an invoice discounting arrangement are secured upon the trade debtors to which they relate and interest is charged at 2.25% above base rate.

19. Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Bank loans and overdrafts	2,137,600	2,321,963
Obligations under finance leases and hire purchase contracts	338,819	457,856
	2,476,419	2,779,819

Included within creditors: amounts falling due after more than one year is an amount of £1,282,104 (2015: £1,578,116) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The bank loan not wholly repayable within five years carries variable interest at a rate 1.5% over LIBOR. The loan is repayable in instalments throughout the borrowing period.

The EFG loan not wholly repayable within five years carries variable interest at a rate 2.55% over LIBOR. The loan is repayable in instalments throughout the borrowing period.

The mortgage not wholly repayable within five years carries variable interest at a rate 1.95% over LIBOR. The loan is repayable in instalments throughout the borrowing period.

The base rate loan not wholly repayable within fifteen years carries variable interest at a rate 2.65% over the base rate. The loan is repayable in instalments throughout the borrowing period.

20. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2016	2015
	£	£
Not later than 1 year	248,092	258,151
Later than 1 year and not later than 5 years	(338,819)	(457,856)
	(90,727)	(199,705)

Obligations under finance leases and hire purchase contracts are as payable as follows:

	2016	2015
	£	£
Between one and five years	338,911	457,856

21. Provisions

	Deferred tax (note 22)
	£
At 1 October 2015	303,101
Additions	(5,832)
At 30 September 2016	297,269

22. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2016	2015
	£	£
Included in provisions (note 21)	297,269	303,101

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016	2015
	£	£
Accelerated capital allowances	297,269	304,184
Deferred tax - other timing differences	–	(1,083)
	297,269	303,101

23. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £76,990 (2015: £78,324).

24. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2016	2015
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	–	197,235

25. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2016	2015
	£	£
Financial assets measured at fair value through profit or loss		
Financial assets measured at fair value through profit or loss	15,345	–

26. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

There are no restrictions on the distribution of dividends and repayment of capital.

27. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

28. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Not later than 1 year	10,110	14,625
Later than 1 year and not later than 5 years	5,664	9,174
	15,774	23,799

29. Directors' advances, credits and guarantees

During the year the following Directors' transactions occurred;

	2016
	£
Balance brought forward	17,824
Repayments by directors	(17,358)
Advances to directors	2,440
Balance carried forward	2,906

30. Controlling party

The company's ultimate parent undertaking is Belton Massey Limited.

Copies of the consolidated financial statements of Belton Massey Limited are available from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3UZ.

31. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 October 2014.

No transitional adjustments were required in equity or profit or loss for the year.