

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 October 2017
for
Mount Trading Company Limited

Hamiltons Group Limited
Chartered Certified Accountants
Statutory Auditors
Meriden House
6 Great Cornbow
Halesowen
West Midlands
B63 3AB

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25/07/2018
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for the Year Ended 31 October 2017

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Mount Trading Company Limited
Company Information
for the Year Ended 31 October 2017

DIRECTORS:

M T Cap
K M Cap
J M Evans
D W Roberts
A D Griffiths
P J Barkley

SECRETARY:

K M Cap

REGISTERED OFFICE:

Meriden House
6 Great Cornbow
Halesowen
West Midlands
B63 3AB

BUSINESS ADDRESS:

The Mount
Racecourse Lane
Oswestry
Shropshire
SY10 7PH

REGISTERED NUMBER:

02129321 (England and Wales)

AUDITORS:

Hamiltons Group Limited
Chartered Certified Accountants
Statutory Auditors
Meriden House
6 Great Cornbow
Halesowen
West Midlands
B63 3AB

Mount Trading Company Limited

Company Information
for the Year Ended 31 October 2017

BANKERS:

Lloyds Bank Plc
City Office Branch
PO Box 72
Bailey Drive
Gillingham Business Park
Kent
ME8 0LS

Mount Trading Company Limited (Registered number: 02129321)

Strategic Report
for the Year Ended 31 October 2017

The directors present their strategic report for the year ended 31 October 2017.

REVIEW OF BUSINESS

The directors consider the key performance indicator of the company to be turnover and profit before tax. The directors report an decrease in turnover levels to £7,730,884 (2016 : £8,036,978) and net profit before tax of £237,014 (2016 : £608,391).

PRINCIPAL RISKS AND UNCERTAINTIES

The company does not actively use financial instruments as part of its financial risk management and during the year the company has been exposed to risks of supplier price increases, credit risk, liquidity risk and cash flow risk. The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position.

ON BEHALF OF THE BOARD:



M T Cap - Director

16 April 2018

Mount Trading Company Limited (Registered number: 02129321)

Report of the Directors
for the Year Ended 31 October 2017

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of pressure treatment for timber fencing and retail of agricultural supplies.

DIVIDENDS

Interim dividends per share were paid as follows:

Ordinary shares	£1 shares	(100 shares waived)	£1,300.00	- 31 March 2017
			£1,200.00	- 30 April 2017

DIRECTORS

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

M T Cap
K M Cap
J M Evans
D W Roberts

Other changes in directors holding office are as follows:

A D Griffiths - appointed 23 November 2016
P J Barkley - appointed 23 November 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

Mount Trading Company Limited (Registered number: 02129321)

Report of the Directors
for the Year Ended 31 October 2017

AUDITORS

The auditors, Hamiltons Group Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'M T Cap', is written over a faint horizontal line.

M T Cap - Director

16 April 2018

Report of the Independent Auditors to the Members of
Mount Trading Company Limited

Opinion

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2017 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Report of the Independent Auditors to the Members of
Mount Trading Company Limited

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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.

Responsibilities of directors

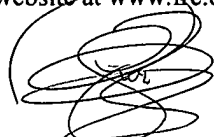
As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to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

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

Our responsibilities for the audit of the financial statements

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

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



Susan Bowdler FCCA (Senior Statutory Auditor)
For and on behalf of Hamiltons Group Limited
Chartered Certified Accountants
Statutory Auditors
Meriden House
6 Great Cornbow
Halesowen
West Midlands
B63 3AB

16 April 2018

Mount Trading Company Limited (Registered number: 02129321)

Statement of Comprehensive Income
for the Year Ended 31 October 2017

	Notes	2017 £	2016 £
REVENUE	3	7,730,884	8,036,978
Cost of sales		<u>(4,719,183)</u>	<u>(4,858,520)</u>
GROSS PROFIT		3,011,701	3,178,458
Administrative expenses		<u>(2,745,327)</u>	<u>(2,537,594)</u>
OPERATING PROFIT	5	266,374	640,864
Interest receivable and similar income		<u>154</u>	<u>-</u>
		266,528	640,864
Interest payable and similar expenses	7	<u>(29,514)</u>	<u>(32,473)</u>
PROFIT BEFORE TAXATION		237,014	608,391
Tax on profit	8	<u>(70,230)</u>	<u>(150,028)</u>
PROFIT FOR THE FINANCIAL YEAR		166,784	458,363
OTHER COMPREHENSIVE INCOME			
Deferred taxation movement			
Income tax relating to other comprehensive income		1,933	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>1,933</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>168,717</u>	<u>458,363</u>

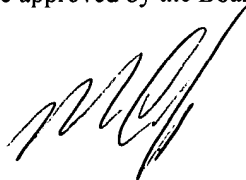
The notes on pages 13 to 24 form part of these financial statements

Mount Trading Company Limited (Registered number: 02129321)

Balance Sheet
31 October 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Intangible assets	10	2,053,740	2,196,803
Property, plant and equipment	11	1,661,126	1,642,770
		<u>3,714,866</u>	<u>3,839,573</u>
CURRENT ASSETS			
Inventories	12	1,919,139	1,685,476
Debtors	13	1,236,920	1,365,578
Cash in hand		2,948	4,801
		<u>3,159,007</u>	<u>3,055,855</u>
CREDITORS			
Amounts falling due within one year	14	2,579,702	2,588,705
NET CURRENT ASSETS		<u>579,305</u>	<u>467,150</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,294,171</u>	<u>4,306,723</u>
CREDITORS			
Amounts falling due after more than one year	15	(289,745)	(329,924)
PROVISIONS FOR LIABILITIES	19	(103,969)	(110,059)
NET ASSETS		<u><u>3,900,457</u></u>	<u><u>3,866,740</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	106	106
Share premium	21	214,994	214,994
Revaluation reserve	21	156,535	154,602
Retained earnings	21	3,528,822	3,497,038
SHAREHOLDERS' FUNDS		<u><u>3,900,457</u></u>	<u><u>3,866,740</u></u>

The financial statements were approved by the Board of Directors on 16 April 2018 and were signed on its behalf by:



M T Cap - Director

The notes on pages 13 to 24 form part of these financial statements

Mount Trading Company Limited (Registered number: 02129321)

Statement of Changes in Equity
for the Year Ended 31 October 2017

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 November 2015	2	3,142,425	-	154,602	3,297,029
Changes in equity					
Issue of share capital	104	-	214,994	-	215,098
Dividends	-	(103,750)	-	-	(103,750)
Total comprehensive income	-	458,363	-	-	458,363
Balance at 31 October 2016	<u>106</u>	<u>3,497,038</u>	<u>214,994</u>	<u>154,602</u>	<u>3,866,740</u>
Changes in equity					
Dividends	-	(135,000)	-	-	(135,000)
Total comprehensive income	-	166,784	-	1,933	168,717
Balance at 31 October 2017	<u>106</u>	<u>3,528,822</u>	<u>214,994</u>	<u>156,535</u>	<u>3,900,457</u>

The notes on pages 13 to 24 form part of these financial statements

Mount Trading Company Limited (Registered number: 02129321)

Cash Flow Statement
for the Year Ended 31 October 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	220,094	1,004,369
Interest paid		(10,923)	(12,506)
Tax paid		<u>(109,612)</u>	<u>(202,631)</u>
Net cash from operating activities		<u>99,559</u>	<u>789,232</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(52,564)	(13,479)
Sale of tangible fixed assets		27,350	31,184
Interest received		<u>154</u>	<u>-</u>
Net cash from investing activities		<u>(25,060)</u>	<u>17,705</u>
 Cash flows from financing activities			
Loan repayments in year		(48,628)	(50,420)
HP contracts repayments in year		(58,211)	(73,310)
Amount withdrawn by directors		(76,653)	(323,645)
Equity dividends paid		<u>(135,000)</u>	<u>(103,750)</u>
Net cash from financing activities		<u>(318,492)</u>	<u>(551,125)</u>
 (Decrease)/increase in cash and cash equivalents		<u>(243,993)</u>	<u>255,812</u>
Cash and cash equivalents at beginning of year	2	<u>(1,052,373)</u>	<u>(1,308,185)</u>
 Cash and cash equivalents at end of year	2	<u><u>(1,296,366)</u></u>	<u><u>(1,052,373)</u></u>

The notes on pages 13 to 24 form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 October 2017

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

	2017	2016
	£	£
Profit before taxation	237,014	608,391
Depreciation charges	217,086	206,307
Profit on disposal of fixed assets	(12,755)	(16,255)
Finance costs	29,514	32,473
Finance income	(154)	-
	<u>470,705</u>	<u>830,916</u>
Increase in inventories	(233,663)	(66,659)
Decrease in trade and other debtors	128,658	83,916
(Decrease)/increase in trade and other creditors	<u>(145,606)</u>	<u>156,196</u>
Cash generated from operations	<u><u>220,094</u></u>	<u><u>1,004,369</u></u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 October 2017

	31.10.17	1.11.16
	£	£
Cash and cash equivalents	2,948	4,801
Bank overdrafts	<u>(1,299,314)</u>	<u>(1,057,174)</u>
	<u><u>(1,296,366)</u></u>	<u><u>(1,052,373)</u></u>

Year ended 31 October 2016

	31.10.16	1.11.15
	£	£
Cash and cash equivalents	4,801	3,440
Bank overdrafts	<u>(1,057,174)</u>	<u>(1,311,625)</u>
	<u><u>(1,052,373)</u></u>	<u><u>(1,308,185)</u></u>

Notes to the Financial Statements
for the Year Ended 31 October 2017

1. STATUTORY INFORMATION

Mount Trading Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

Significant judgements and estimates

Critical accounting judgements and 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.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing of debtors and historical experience.

Turnover

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

Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Freehold property	- 0%
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 10% on reducing balance

Depreciation has been provided at a rate of 0% on freehold land and buildings as they are maintained in a continual state of sound repair, their lives are long and residual values are such that depreciation is not material.

Stocks

Inventories and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing inventories to their present location and condition.

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

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has chosen to adopt Sections 11 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Financial assets are derecognised when (a) the contractual rights to cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade creditors, other payables and bank loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

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

2. ACCOUNTING POLICIES - continued

Deferred tax

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

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

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

Leasing and hire purchase commitments

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

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

Pension costs and other post-retirement benefits

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

3. REVENUE

The revenue and profit before taxation are attributable to the one principal activity of the company.

An analysis of revenue by geographical market is given below:

	2017	2016
	£	£
United Kingdom	<u>7,730,884</u>	<u>8,036,978</u>
	<u>7,730,884</u>	<u>8,036,978</u>

4. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	1,521,487	1,446,577
Social security costs	136,602	126,684
Other pension costs	<u>10,586</u>	<u>6,157</u>
	<u>1,668,675</u>	<u>1,579,418</u>

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

	2017	2016
Employees	<u>72</u>	<u>69</u>

Mount Trading Company Limited (Registered number: 02129321)

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

4. EMPLOYEES AND DIRECTORS - continued

	2017	2016
	£	£
Directors' remuneration	<u>109,430</u>	<u>136,403</u>

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2017	2016
	£	£
Depreciation - owned assets	46,774	33,944
Depreciation - assets on hire purchase contracts	27,249	29,300
Profit on disposal of fixed assets	(12,755)	(16,255)
Goodwill amortisation	143,063	143,063
Auditors' remuneration (audit of the financial statements)	<u>1,500</u>	<u>1,500</u>

6. EXCEPTIONAL ITEMS

	2017	2016
	£	£
Exceptional items	<u>(85,085)</u>	<u>-</u>

Exceptional items relate to new premises costs in relation to the Newtown branch and maintenance costs incurred outside the normal course of business.

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank interest	10,392	12,506
Bank loan interest	13,628	15,420
Interest on overdue tax	531	434
Hire purchase	<u>4,963</u>	<u>4,113</u>
	<u>29,514</u>	<u>32,473</u>

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

8. TAXATION

Analysis of the tax charge

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

	2017 £	2016 £
Current tax:		
UK corporation tax	74,387	145,594
Previous year adjustment	<u>-</u>	<u>772</u>
Total current tax	74,387	146,366
Deferred tax	<u>(4,157)</u>	<u>3,662</u>
Tax on profit	<u><u>70,230</u></u>	<u><u>150,028</u></u>

Reconciliation of total tax charge included in profit and loss

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

	2017 £	2016 £
Profit before tax	<u>237,014</u>	<u>608,391</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%)	45,033	121,678
Effects of:		
Depreciation in excess of capital allowances	27,740	23,916
Adjustments to tax charge in respect of previous periods	1,614	-
Under provision in prior year	-	772
Deferred tax movement	<u>(4,157)</u>	<u>3,662</u>
Total tax charge	<u><u>70,230</u></u>	<u><u>150,028</u></u>

Tax effects relating to effects of other comprehensive income

	2017		
	Gross	Tax	Net
	£	£	£
Deferred taxation movement	<u>-</u>	<u>1,933</u>	<u>1,933</u>
	2016		
	Gross	Tax	Net
	£	£	£
Deferred taxation movement	<u></u>	<u></u>	<u></u>

Mount Trading Company Limited (Registered number: 02129321)

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

9. DIVIDENDS

	2017 £	2016 £
Ordinary shares of £1 each		
Interim	<u>135,000</u>	<u>103,750</u>

10. INTANGIBLE FIXED ASSETS

	Goodwill £	
COST		
At 1 November 2016		
and 31 October 2017		<u>2,876,262</u>
AMORTISATION		
At 1 November 2016		679,459
Amortisation for year		<u>143,063</u>
At 31 October 2017		<u>822,522</u>
NET BOOK VALUE		
At 31 October 2017		<u>2,053,740</u>
At 31 October 2016		<u>2,196,803</u>

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST OR VALUATION			
At 1 November 2016	1,285,728	404,627	54,322
Additions	-	38,370	6,255
Disposals	<u>-</u>	<u>(32,739)</u>	<u>-</u>
At 31 October 2017	<u>1,285,728</u>	<u>410,258</u>	<u>60,577</u>
DEPRECIATION			
At 1 November 2016	-	248,713	22,910
Charge for year	-	25,191	3,349
Eliminated on disposal	<u>-</u>	<u>(25,657)</u>	<u>-</u>
At 31 October 2017	<u>-</u>	<u>248,247</u>	<u>26,259</u>
NET BOOK VALUE			
At 31 October 2017	<u>1,285,728</u>	<u>162,011</u>	<u>34,318</u>
At 31 October 2016	<u>1,285,728</u>	<u>155,914</u>	<u>31,412</u>

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

11. PROPERTY, PLANT AND EQUIPMENT - continued

	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION			
At 1 November 2016	207,143	50,063	2,001,883
Additions	61,813	536	106,974
Disposals	<u>(21,361)</u>	<u>-</u>	<u>(54,100)</u>
At 31 October 2017	<u>247,595</u>	<u>50,599</u>	<u>2,054,757</u>
DEPRECIATION			
At 1 November 2016	74,955	12,535	359,113
Charge for year	41,685	3,798	74,023
Eliminated on disposal	<u>(13,848)</u>	<u>-</u>	<u>(39,505)</u>
At 31 October 2017	<u>102,792</u>	<u>16,333</u>	<u>393,631</u>
NET BOOK VALUE			
At 31 October 2017	<u>144,803</u>	<u>34,266</u>	<u>1,661,126</u>
At 31 October 2016	<u>132,188</u>	<u>37,528</u>	<u>1,642,770</u>

Cost or valuation at 31 October 2017 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £
Valuation in 2011	235,354	-	-
Valuation in 2012	(42,101)	-	-
Cost	<u>1,092,475</u>	<u>410,258</u>	<u>60,577</u>
	<u>1,285,728</u>	<u>410,258</u>	<u>60,577</u>

	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2011	-	-	235,354
Valuation in 2012	-	-	(42,101)
Cost	<u>247,595</u>	<u>50,599</u>	<u>1,861,504</u>
	<u>247,595</u>	<u>50,599</u>	<u>2,054,757</u>

Mount Trading Company Limited (Registered number: 02129321)

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

11. PROPERTY, PLANT AND EQUIPMENT - continued

If freehold property had not been revalued they would have been included at the following historical cost:

	2017 £	2016 £
Cost	<u>1,599,222</u>	<u>1,599,222</u>

Freehold property was valued on an open market basis on 1 March 2012 by Shearer & Morris.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 November 2016	73,150	120,744	193,894
Additions	19,347	33,063	52,410
Transfer to ownership	<u>-</u>	<u>(12,700)</u>	<u>(12,700)</u>
At 31 October 2017	<u>92,497</u>	<u>141,107</u>	<u>233,604</u>
DEPRECIATION			
At 1 November 2016	21,597	25,937	47,534
Charge for year	4,287	22,962	27,249
Transfer to ownership	<u>-</u>	<u>(8,012)</u>	<u>(8,012)</u>
At 31 October 2017	<u>25,884</u>	<u>40,887</u>	<u>66,771</u>
NET BOOK VALUE			
At 31 October 2017	<u>66,613</u>	<u>100,220</u>	<u>166,833</u>
At 31 October 2016	<u>51,553</u>	<u>94,807</u>	<u>146,360</u>

12. INVENTORIES

	2017 £	2016 £
Work-in-progress	6,465	6,465
Finished goods	<u>1,912,674</u>	<u>1,679,011</u>
	<u>1,919,139</u>	<u>1,685,476</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	754,541	944,477
Amounts owed by participating interests	446,349	394,225
Prepayments	<u>36,030</u>	<u>26,876</u>
	<u>1,236,920</u>	<u>1,365,578</u>

Amounts owed by participating interests do not bear interest, are unsecured and are repayable on demand.

Mount Trading Company Limited (Registered number: 02129321)

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

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts (see note 16)	1,334,314	1,092,174
Hire purchase contracts (see note 17)	43,252	36,911
Trade creditors	893,728	953,318
Amounts owed to participating interests	3,813	22,143
Corporation tax	111,011	146,236
Social security and other taxes	117,645	185,451
Other creditors	1,504	1,166
Directors' accounts	7,680	84,333
Accruals and deferred income	<u>66,755</u>	<u>66,973</u>
	<u><u>2,579,702</u></u>	<u><u>2,588,705</u></u>

Amounts owed to participating interests do not bear interest, are unsecured and are repayable on demand.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Bank loans (see note 16)	236,250	271,250
Hire purchase contracts (see note 17)	<u>53,495</u>	<u>58,674</u>
	<u><u>289,745</u></u>	<u><u>329,924</u></u>

16. LOANS

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	1,299,314	1,057,174
Bank loans	<u>35,000</u>	<u>35,000</u>
	<u><u>1,334,314</u></u>	<u><u>1,092,174</u></u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>35,000</u>	<u>35,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>105,000</u>	<u>105,000</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>96,250</u>	<u>131,250</u>

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

17. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Net obligations repayable:		
Within one year	43,252	36,911
Between one and five years	<u>53,495</u>	<u>58,674</u>
	<u>96,747</u>	<u>95,585</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	2017 £	2016 £
Bank overdrafts	1,299,314	1,057,174
Hire purchase contracts	<u>96,747</u>	<u>95,585</u>
	<u>1,396,061</u>	<u>1,152,759</u>

The overdraft facility is secured by a first legal charge over the property known as Glanyrafon Industrial Estate, Aberystwyth, an unlimited debenture dated 26 May 2004, and by way of a fixed and floating charge over all assets of the company, dated 1 November 2004.

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

19. PROVISIONS FOR LIABILITIES

	2017 £	2016 £
Deferred tax	<u>103,969</u>	<u>110,059</u>
		Deferred tax
		£
Balance at 1 November 2016		110,059
Credit to Statement of Comprehensive Income during year		(4,157)
Tax on revaluation		<u>(1,933)</u>
Balance at 31 October 2017		<u>103,969</u>

A deferred tax provision has arisen as a result of accelerated capital allowances and on the property revaluation.

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

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value: £1	2017	2016
Number:	Class:		£	£
106	Ordinary		<u>106</u>	<u>106</u>

21. RESERVES

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 November 2016	3,497,038	214,994	154,602	3,866,634
Profit for the year	166,784			166,784
Dividends	(135,000)			(135,000)
Deferred taxation movement	-	-	1,933	1,933
At 31 October 2017	<u>3,528,822</u>	<u>214,994</u>	<u>156,535</u>	<u>3,900,351</u>

22. RELATED PARTY DISCLOSURES

During the year, the group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into and trading balances outstanding at 31 October 2017, are as follows:

	Sales to related party £	Purchases from related party £	Amounts owed from related party £	Amounts owed to related party £
Entities in which a company director has a controlling interest				
2017	258,977	67,255	446,349	3,813
2016	595,845	40,633	394,225	22,143

23. ULTIMATE CONTROLLING PARTY

The controlling party is M T Cap.