

Company Registration No. SC211749 (Scotland)

Morris Leslie Plant Hire Limited
Annual report and financial statements
for the year ended 30 April 2016



Morris Leslie Plant Hire Limited

Company information

Directors	Morris Y Leslie Graham R Ogilvie William JN Lennox	(Appointed 8 October 2015) (Appointed 23 September 2015)
Secretary	William JN Lennox	
Company number	SC211749	
Registered office	Errol Airfield Errol Perthshire PH2 7TB	
Auditor	Henderson Loggie The Vision Building 20 Greenmarket Dundee DD1 4QB	
Bankers	Royal Bank of Scotland Perth Chief Office 12 Dunkeld Road Perth PH1 5RB	

Morris Leslie Plant Hire Limited

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Morris Leslie Plant Hire Limited

Strategic report

for the year ended 30 April 2016

The directors present the strategic report for the year ended 30 April 2016.

Fair review of the business

We consider our key performance indicators are those that best communicate the performance of the business overall, namely turnover and net profit.

Turnover grew by 29% to £21.1m following further investment in the hire fleet by the Group and continuing high levels of activity in the core markets. The company has also invested significantly in its people and supporting resources which has resulted in the net profit before tax falling to £0.14m but has made the business very well placed to achieve further significant growth in the coming year. The business continues to strive to maintain one of the most modern fleets in the industry and to offer the highest levels of customer service.

The business environment in which the company operates continues to be positive and whilst the outcome of the EU referendum has increased levels of economic and political uncertainty, the directors believe the company is in a strong position. The Directors will continue to monitor the market and wider economy and take appropriate action where required. Since the year end the Group has continued to invest in the plant hire fleet.

Principal risks and uncertainties

The Directors consider the principal risks to the business relate to the relative strength of the UK construction industry and the potential impact of BREXIT negotiations and are aware that plans for future development may be subject to unforeseen events out with the Company's control. However, it is planned, as far as possible to manage these risks through extensive market knowledge and the ability to react quickly to any change in market conditions.

On behalf of the board



Morris Y Leslie

Director

28 November 2016

Morris Leslie Plant Hire Limited

Directors' report

for the year ended 30 April 2016

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

Principal activities

The principal activity of the company continued to be that of the hire of construction machinery and equipment.

Directors

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

Morris Y Leslie

Graham R Ogilvie

William JN Lennox

(Appointed 8 October 2015)

(Appointed 23 September 2015)

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Morris Y Leslie

Director

28 November 2016

Morris Leslie Plant Hire Limited

Directors' responsibilities statement

for the year ended 30 April 2016

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Morris Leslie Plant Hire Limited

Independent auditor's report

to the members of Morris Leslie Plant Hire Limited

We have audited the financial statements of Morris Leslie Plant Hire Limited for the year ended 30 April 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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 30 April 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 matters prescribed by the Companies Act 2006

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

Morris Leslie Plant Hire Limited

Independent auditor's report (continued)

to the members of Morris Leslie Plant Hire Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



George M Hay (Senior Statutory Auditor)
for and on behalf of Henderson Loggie

28 November 2016

Chartered Accountants
Statutory Auditor

The Vision Building
20 Greenmarket
Dundee
DD1 4QB

Morris Leslie Plant Hire Limited

Statement of comprehensive income for the year ended 30 April 2016

	Notes	2016 £	2015 £
Turnover	3	21,095,104	16,319,986
Cost of sales		<u>(17,849,729)</u>	<u>(12,958,833)</u>
Gross profit		3,245,375	3,361,153
Administrative expenses		<u>(3,049,057)</u>	<u>(2,639,880)</u>
Operating profit	4	196,318	721,273
Interest payable and similar charges	6	<u>(58,883)</u>	<u>(114,679)</u>
Profit before taxation		137,435	606,594
Taxation	7	<u>(32,812)</u>	<u>(116,003)</u>
Profit for the financial year	19	<u>104,623</u>	<u>490,591</u>

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

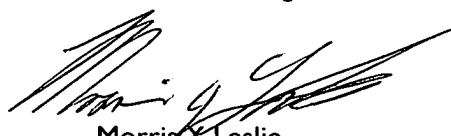
Morris Leslie Plant Hire Limited

Balance sheet

as at 30 April 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	8	644,812		798,748	
Current assets					
Stocks	9	156,098		76,439	
Debtors	10	5,706,391		5,278,043	
Cash at bank and in hand		17,534		114,740	
		<u>5,880,023</u>		<u>5,469,222</u>	
Creditors: amounts falling due within one year	11	<u>(4,116,294)</u>		<u>(3,835,370)</u>	
Net current assets		<u>1,763,729</u>		<u>1,633,852</u>	
Total assets less current liabilities		<u>2,408,541</u>		<u>2,432,600</u>	
Creditors: amounts falling due after more than one year	12	(68,268)		(200,314)	
Provisions for liabilities	16	(51,776)		(48,412)	
Net assets		<u>2,288,497</u>		<u>2,183,874</u>	
Capital and reserves					
Called up share capital	18	20,000		20,000	
Profit and loss reserves	19	2,268,497		2,163,874	
Total equity		<u>2,288,497</u>		<u>2,183,874</u>	

The financial statements were approved by the board of directors and authorised for issue on 28 November 2016 and are signed on its behalf by:


 Morris T Leslie
 Director

Company Registration No. SC211749

Morris Leslie Plant Hire Limited

**Statement of changes in equity
for the year ended 30 April 2016**

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 May 2014		20,000	1,673,283	1,693,283
Year ended 30 April 2015:				
Profit and total comprehensive income for the year		-	490,591	490,591
Balance at 30 April 2015		20,000	2,163,874	2,183,874
Year ended 30 April 2016:				
Profit and total comprehensive income for the year		-	104,623	104,623
Balance at 30 April 2016		20,000	2,268,497	2,288,497

Morris Leslie Plant Hire Limited

Notes to the financial statements

for the year ended 30 April 2016

1 Accounting policies

Company information

Morris Leslie Plant Hire Limited is a company limited by shares incorporated in Scotland. The registered office is Errol Airfield, Errol, Perthshire, PH2 7TB.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 April 2016 are the first financial statements of Morris Leslie Plant Hire Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 May 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Morris Leslie Limited. These consolidated financial statements are available from its registered office, Errol Airfield, Errol, Perthshire, PH2 7TB.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Morris Leslie Plant Hire Limited

Notes to the financial statements (continued)

for the year ended 30 April 2016

1 Accounting policies (continued)

1.3 Turnover

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

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

Revenue from the sale of goods and services is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, 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.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Plant and machinery	10% - 25% straight line
Fixtures, fittings & equipment	10% - 25% straight line
Motor vehicles	10% - 25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Morris Leslie Plant Hire Limited

Notes to the financial statements (continued)

for the year ended 30 April 2016

1 Accounting policies (continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Morris Leslie Plant Hire Limited

Notes to the financial statements (continued)

for the year ended 30 April 2016

1 Accounting policies (continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Derecognition of financial liabilities

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

Morris Leslie Plant Hire Limited

Notes to the financial statements (continued)

for the year ended 30 April 2016

1 Accounting policies (continued)

1.9 Equity instruments

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

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Morris Leslie Plant Hire Limited

Notes to the financial statements (continued)

for the year ended 30 April 2016

1 Accounting policies (continued)

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Morris Leslie Plant Hire Limited

Notes to the financial statements (continued)

for the year ended 30 April 2016

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Useful lives of assets

The nature of the business is such that investment in fixed assets is carried out each year in order to ensure Morris Leslie Plant Hire Limited maintains a modern fleet of plant which enable them to service their customers and deliver the high standards of service the company prides itself on. As part of the investment process the Directors are required to assess the useful lives of these assets to accurately apply depreciation. These estimates are based on comparable depreciation rates applied by others in the same sector and the directors own knowledge and experience built up over many years.

Accruals

Management estimate requirements for accruals using post year end information and information available from detailed budgets. This identifies costs and income that are expected to be incurred or received for goods/services provided by and to other parties. Accruals are only released when there is a reasonable expectation that these costs will not be invoiced in the future.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover		
Hire	18,109,724	13,998,569
Transport	1,521,431	1,171,937
Repairs	806,769	480,505
Miscellaneous	657,180	668,975
	<u>21,095,104</u>	<u>16,319,986</u>

Morris Leslie Plant Hire Limited

Notes to the financial statements (continued)

for the year ended 30 April 2016

3 Turnover and other revenue (continued)

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	<u>21,095,104</u>	<u>16,319,986</u>

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	7,700	7,250
Depreciation of owned tangible fixed assets	150,052	457,889
Depreciation of tangible fixed assets held under finance leases	88,552	140,276
Profit on disposal of tangible fixed assets	(182,182)	(214,262)
Operating lease charges	<u>11,973,826</u>	<u>7,601,290</u>

5 Employees

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

	2016 Number	2015 Number
Operations, management and administration	<u>100</u>	<u>86</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	2,931,225	2,463,167
Social security costs	297,684	221,541
Pension costs	57,010	36,043
	<u>3,285,919</u>	<u>2,720,751</u>
Redundancy payments made or committed	<u>-</u>	<u>21,223</u>

Morris Leslie Plant Hire Limited

Notes to the financial statements (continued)

for the year ended 30 April 2016

6 Interest payable and similar charges

	2016	2015
	£	£
Interest on finance leases and hire purchase contracts	<u>58,883</u>	<u>114,679</u>

Morris Leslie Plant Hire Limited

Notes to the financial statements (continued)

for the year ended 30 April 2016

7 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	29,448	102,581
Adjustments in respect of prior periods	-	(92)
Total current tax	<u>29,448</u>	<u>102,489</u>
Deferred tax		
Origination and reversal of timing differences	2,962	(54,318)
Adjustment in respect of prior periods	402	67,832
Total deferred tax	<u>3,364</u>	<u>13,514</u>
Total tax charge	<u>32,812</u>	<u>116,003</u>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	<u>137,435</u>	<u>606,594</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	27,487	121,319
Tax effect of expenses that are not deductible in determining taxable profit	9,131	8,622
Unutilised tax losses carried forward	-	67,831
Adjustments in respect of prior years	-	(92)
Difference between depreciation and capital allowances	1,908	(351)
Deferred tax adjustments in respect of prior years	(402)	(67,832)
Provisions movements	(5,312)	(13,494)
Tax expense for the year	<u>32,812</u>	<u>116,003</u>

Morris Leslie Plant Hire Limited

Notes to the financial statements (continued)

for the year ended 30 April 2016

8 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 May 2015	2,469,558	48,408	509,660	3,027,626
Additions	108,963	1,186	22,527	132,676
Disposals	(653,670)	(4,656)	(21,700)	(680,026)
Transfers	(280,641)	138,183	192,141	49,683
At 30 April 2016	1,644,210	183,121	702,628	2,529,959
Depreciation and impairment				
At 1 May 2015	2,051,646	32,817	144,415	2,228,878
Depreciation charged in the year	136,634	18,157	83,813	238,604
Eliminated in respect of disposals	(610,316)	(3)	(21,700)	(632,019)
Transfers	(222,277)	86,161	185,800	49,684
At 30 April 2016	1,355,687	137,132	392,328	1,885,147
Carrying amount				
At 30 April 2016	288,523	45,989	310,300	644,812
At 30 April 2015	417,912	15,591	365,245	798,748

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2016 £	2015 £
Plant and machinery	124,932	501,698
Depreciation charge for the year in respect of leased assets	88,552	140,276

9 Stocks

	2016 £	2015 £
Finished goods and goods for resale	156,098	76,439

Morris Leslie Plant Hire Limited

Notes to the financial statements (continued)

for the year ended 30 April 2016

10 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	5,060,658	4,102,692
Corporation tax recoverable	451,755	489,898
Amounts due from group undertakings	-	471,554
Prepayments and accrued income	193,978	213,899
	<u>5,706,391</u>	<u>5,278,043</u>

11 Creditors: amounts falling due within one year

	2016	2015
	£	£
	Notes	
Invoice discounting	13	1,746,727
Obligations under finance leases	14	1,292,766
Trade creditors		356,259
Amounts due to group undertakings		897,265
Amounts due to associate undertakings		141,492
Other taxation and social security		-
Other creditors		431,501
Accruals and deferred income		389,513
		296,826
		98,617
		217,405
		<u>4,116,294</u>
		<u>3,835,370</u>

12 Creditors: amounts falling due after more than one year

	2016	2015
	£	£
	Notes	
Obligations under finance leases	14	68,268
		<u>200,314</u>

13 Loans and overdrafts

	2016	2015
	£	£
Invoice discounting	1,746,727	1,292,766
	<u>1,746,727</u>	<u>1,292,766</u>
Payable within one year	1,746,727	1,292,766
	<u>1,746,727</u>	<u>1,292,766</u>

Morris Leslie Plant Hire Limited

Notes to the financial statements (continued)

for the year ended 30 April 2016

13 Loans and overdrafts (continued)

Invoice discounting is £1,746,727 (2015 - £1,292,766) received from an invoice factor. The year end balance is secured against trade debtors.

14 Finance lease obligations

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Within one year	164,596	356,259
In two to five years	68,268	200,314
	<u>232,864</u>	<u>556,573</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

15 Provisions for liabilities

		2016 £	2015 £
Deferred tax liabilities	16	51,776	48,412
		<u>51,776</u>	<u>48,412</u>

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	<u>51,776</u>	<u>48,412</u>

Morris Leslie Plant Hire Limited

Notes to the financial statements (continued)

for the year ended 30 April 2016

16 Deferred taxation (continued)

	2016 £
Movements in the year:	
Liability at 1 May 2015	48,412
Charge to profit or loss	3,364
	<u>51,776</u>
Liability at 30 April 2016	<u>51,776</u>

17 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	57,010	36,043
	<u>57,010</u>	<u>36,043</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
20,000 Ordinary shares of £1 each	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

Each ordinary share carries one vote and is entitled to participate pari passu with other ordinary shares in any dividend or capital contribution.

19 Profit and loss reserves

Profit and loss reserves include all current and prior period retained profits and losses.

Morris Leslie Plant Hire Limited

Notes to the financial statements (continued)

for the year ended 30 April 2016

20 Operating lease commitments

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

	2016 £	2015 £
Within one year	151,920	110,352
Between two and five years	111,201	107,464
	<u>263,121</u>	<u>217,816</u>

21 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2016 £	2015 £	2016 £	2015 £
Other related parties	-	26,652	-	47,280

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2016 £	2015 £
Other related parties	436,981	431,501
	<u>436,981</u>	<u>431,501</u>

No guarantees have been given or received.

22 Controlling party

The company is a wholly owned subsidiary of Morris Leslie Limited, a company incorporated in Great Britain and registered in Scotland.

The company is controlled by Morris Y Leslie.