

COMPANY REGISTRATION NUMBER: 00056547

Abram Pulman & Sons Limited
Financial Statements
31 December 2016

SUTCLIFFE & RILEY

Chartered accountant & statutory auditor
3 Central Street
Halifax
West Yorkshire
HX1 1HU

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Abram Pulman & Sons Limited

Financial Statements

Period from 25 December 2015 to 31 December 2016

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Abram Pulman & Sons Limited

Strategic Report

Period from 25 December 2015 to 31 December 2016

The directors present their strategic report on the company for the year ended 31 December 2016.

Principal activities and business review

The company's principal activity continues to be that of steel stockholders.

2016 was probably the most unusual year in the company's history. On 26 December 2015 the company suffered a flood which caused severe damage to buildings, plant and stock. The first half of the year was taken up with sorting out the flood damage, re-instating all the lost machinery, vehicles and stock, and getting our customers back on board. The Directors would like to thank all our employees who worked tirelessly under extremely difficult conditions to get the company back on its feet.

By July the company was just about back to full capacity and the majority of customers were back dealing with us on a regular basis. As a company we have always put emphasis on good customer service and the reaction and return of our customers has demonstrated that we do that well.

The second half of the year was taken up with consolidating our position in the market and building flood defences to secure the site against any further flooding. A significant part of the flood defences were completed before the end of the year.

Despite the challenges in the year, the company has managed to report turnover of £9,316,197 (2015 - £9,231,177) and a profit before tax of £1,110,171 (2015 - loss of £384,529). The profit includes a gain of £776,447 on the disposal of fixed assets based on the insurance proceeds received following the flood damage. This has been reinvested in replacement assets.

At the same time as we were resurrecting the company the steel industry continued as normal. In the last quarter of the year supply price increases started to filter through, however market sales prices were kept artificially low through intense competition. It is only at the beginning of 2017 that we are seeing these prices hold, however, as always, it is a fragile position.

Future developments

2017, like all years, will bring its own surprises and challenges. We are concentrating on increasing our efficiency through training with a strong emphasis on health and safety. We are continuously looking for new markets and opportunities to keep the business moving forward, and investigating ways to keep up to date with the modern digital age.

Principal risks and uncertainties

The principal risk and uncertainties facing the company are changes in the global steel price and, despite the measures taken in the year, the continuing environmental threat of further flooding.

Abram Pulman & Sons Limited

Strategic Report *(continued)*

Period from 25 December 2015 to 31 December 2016

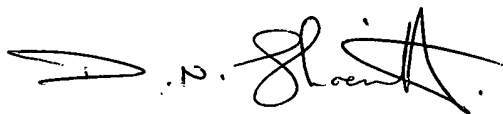
Financial risk management objectives and policies

The company has a commercial sales invoice financing agreement and operates within its agreed limits. Most sales are to UK customers and most suppliers are sourced in the UK therefore the company has not entered into any hedging agreements in respect of risks relating to trade debtors or creditors.

The interest rate on the commercial invoice financing agreement is 2.5% above the base rate, currently 0.25%, and therefore an increase in base rate will increase borrowing costs.

The company is reliant on the invoice financing facility and therefore there is a cash and liquidity risk. The bank is satisfied with the Company's financial performance and the Directors do not think that the facility will be withdrawn.

This report was approved by the board of directors on 29 March 2017 and signed on behalf of the board by:



Mr D Shoesmith
Director

Registered office:
Walton Street
Sowerby Bridge
West Yorkshire
HX1 1HU

Abram Pulman & Sons Limited

Directors' Report

Period from 25 December 2015 to 31 December 2016

The directors present their report and the financial statements of the company for the period ended 31 December 2016.

Directors

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

Mr D Shoesmith
Mrs M McHugh
Mrs A Wiggins
Mr J Horner

Dividends

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

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the company has chosen to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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 period. 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.

Abram Pulman & Sons Limited

Directors' Report *(continued)*

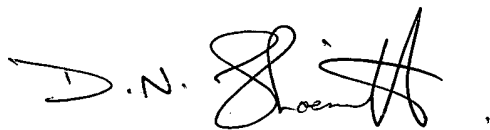
Period from 25 December 2015 to 31 December 2016

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 29 March 2017 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'D. N. Shoesmith', with a stylized flourish at the end.

Mr D Shoesmith
Director

Registered office:
Walton Street
Sowerby Bridge
West Yorkshire
HX1 1HU

Abram Pulman & Sons Limited

Independent Auditor's Report to the Members of Abram Pulman & Sons Limited

Period from 25 December 2015 to 31 December 2016

We have audited the financial statements of Abram Pulman & Sons Limited for the period ended 31 December 2016 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows 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".

As a practising member of the Institute of Chartered Accountants in England and Wales, we are subject to its technical, ethical and other professional requirements, which are detailed at www.icaew.com.

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 31 December 2016 and of its profit for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

Abram Pulman & Sons Limited

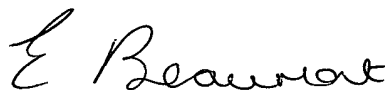
Independent Auditor's Report to the Members of Abram Pulman & Sons Limited *(continued)*

Period from 25 December 2015 to 31 December 2016

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.



ELAINE BEAUMONT ACA FCCA
(Senior Statutory Auditor)
For and on behalf of
SUTCLIFFE & RILEY
Chartered Accountants
& Statutory Auditor

3 Central Street
Halifax
West Yorkshire
HX1 1HU

29 March 2017

Abram Pulman & Sons Limited

Statement of Comprehensive Income

Period from 25 December 2015 to 31 December 2016

		Period from 25 Dec 15 to 31 Dec 16	Period from 1 Jan 15 to 24 Dec 15
	Note	£	£
Turnover	4	9,316,197	9,231,177
Cost of sales		5,519,158	5,970,329
Gross profit		3,797,039	3,260,848
Distribution costs		2,602,080	2,909,161
Administrative expenses		55,179	724,222
Other operating income	5	31,440	58,251
Operating profit/(loss)	6	1,171,220	(314,284)
Interest payable and similar charges	11	61,049	70,245
Profit/(loss) on ordinary activities before taxation		1,110,171	(384,529)
Tax on profit/(loss) on ordinary activities	12	195,988	(64,303)
Profit/(loss) for the financial period		914,183	(320,226)
Revaluation of tangible assets		(7,546)	(7,546)
Total comprehensive income for the period		906,637	(327,772)

All the activities of the company are from continuing operations.

The notes on pages 11 to 23 form part of these financial statements.

Abram Pulman & Sons Limited

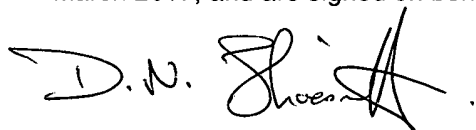
Company registration number: 00056547

Statement of Financial Position

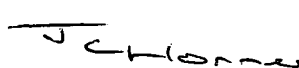
31 December 2016

	Note	31 Dec 16		24 Dec 15	
		£	£	£	£
Fixed assets					
Tangible assets	14		3,234,540		2,295,136
Current assets					
Stocks	15	908,737		893,912	
Debtors	16	2,450,801		1,947,467	
Cash at bank and in hand		822,012		666,799	
		4,181,550		3,508,178	
Creditors: amounts falling due within one year	17	3,138,476		3,316,037	
Net current assets			1,043,074		192,141
Total assets less current liabilities			4,277,614		2,487,277
Creditors: amounts falling due after more than one year	18		965,321		208,033
Provisions	20		162,335		—
Net assets			3,149,958		2,279,244
Capital and reserves					
Called up share capital	24		7,020		7,020
Share premium account	25		188		188
Revaluation reserve	25		990,668		998,214
Capital redemption reserve	25		17,327		17,327
Profit and loss account	25		2,134,755		1,256,495
Members funds			3,149,958		2,279,244

These financial statements were approved by the board of directors and authorised for issue on 29 March 2017, and are signed on behalf of the board by:



Mr D Shoesmith
Director



Mr J Horner
Director

The notes on pages 11 to 23 form part of these financial statements.

Abram Pulman & Sons Limited

Statement of Changes in Equity (continued)

Period from 25 December 2015 to 31 December 2016

	Note	Called up share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2015		7,020	188	1,005,760	17,327	1,580,231	2,610,526
Loss for the period						(320,226)	(320,226)
Other comprehensive income for the period:							
Revaluation of tangible assets	14	—	—	(7,546)	—	—	(7,546)
Total comprehensive income for the period		—	—	(7,546)	—	(320,226)	(327,772)
Dividends paid and payable	13	—	—	—	—	(3,510)	(3,510)
Total investments by and distributions to owners		—	—	—	—	(3,510)	(3,510)
At 24 December 2015		7,020	188	998,214	17,327	1,256,495	2,279,244
Profit for the period						914,183	914,183
Other comprehensive income for the period:							
Revaluation of tangible assets	14	—	—	(7,546)	—	—	(7,546)
Total comprehensive income for the period		—	—	(7,546)	—	914,183	906,637
Dividends paid and payable	13	—	—	—	—	(35,923)	(35,923)
Total investments by and distributions to owners		—	—	—	—	(35,923)	(35,923)
At 31 December 2016		<u>7,020</u>	<u>188</u>	<u>990,668</u>	<u>17,327</u>	<u>2,134,755</u>	<u>3,149,958</u>

The notes on pages 11 to 23 form part of these financial statements.

Abram Pulman & Sons Limited

Statement of Cash Flows

Period from 25 December 2015 to 31 December 2016

	31 Dec 16 £	24 Dec 15 £
Cash flows from operating activities		
Profit/(loss) for the financial period	914,183	(320,226)
<i>Adjustments for:</i>		
Depreciation of tangible assets	216,526	148,099
Government grant income	–	(39,811)
Interest payable and similar charges	61,049	70,245
(Gains)/loss on disposal of tangible assets	(776,447)	20,602
Loss on disposal of intangible assets	–	6,070
Tax on profit/(loss) on ordinary activities	195,988	(64,303)
Accrued (income)/expenses	(1,688)	13,574
<i>Changes in:</i>		
Stocks	(14,825)	155,544
Trade and other debtors	(503,334)	323,020
Trade and other creditors	(231,267)	(515,221)
Cash generated from operations	(139,815)	(202,407)
Interest paid	(61,049)	(70,245)
Tax paid	–	(3,004)
Net cash used in operating activities	<u>(200,864)</u>	<u>(275,656)</u>
Cash flows from investing activities		
Purchase of tangible assets	(1,841,217)	(35,984)
Proceeds from sale of tangible assets	1,454,188	937
Proceeds from sale of intangible assets	–	11,930
Net cash used in investing activities	<u>(387,029)</u>	<u>(23,117)</u>
Cash flows from financing activities		
Government grant income	–	39,811
Payments of finance lease liabilities	779,029	(149,329)
Dividends paid	(35,923)	(3,510)
Net cash from/(used in) financing activities	<u>743,106</u>	<u>(113,028)</u>
Net increase/(decrease) in cash and cash equivalents	155,213	(411,801)
Cash and cash equivalents at beginning of period	666,799	1,078,600
Cash and cash equivalents at end of period	<u>822,012</u>	<u>666,799</u>

The notes on pages 11 to 23 form part of these financial statements.

Abram Pulman & Sons Limited

Notes to the Financial Statements

Period from 25 December 2015 to 31 December 2016

1. General information

Abram Pulman & Sons Ltd Registered No. 00056547 is a limited by shares company incorporated in England and Wales. The registered office is Walton Street, Sowerby Bridge, West Yorkshire, HX6 1AN.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

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.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are not considered to be any judgements or accounting estimates or assumptions that have a significant impact on the financial statements.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership 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.

Exceptional items

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

Abram Pulman & Sons Limited

Notes to the Financial Statements *(continued)*

Period from 25 December 2015 to 31 December 2016

3. Accounting policies *(continued)*

Taxation

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.

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.

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.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

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.

Abram Pulman & Sons Limited

Notes to the Financial Statements *(continued)*

Period from 25 December 2015 to 31 December 2016

3. Accounting policies *(continued)*

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	-	10% reducing balance
Fixtures and fittings	-	10% & 25% Reducing balance
Motor vehicles	-	25% reducing balance

Investment Property

Investment properties are accounted for in accordance with FRS102, as follows:

a) Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss. The most recent valuation by an independent, professionally qualified valuer was obtained at 24 December 2015. The directors are of the opinion that there has been no significant change in market value since that date.

b) No depreciation is provided in respect of investment properties. The surplus or deficit on revaluation is transferred to revaluation reserve unless a deficit below original cost, or its reversal, on an individual property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This treatment as regards the company's investment properties may be a departure from the requirements of the Companies Act concerning the depreciation of the fixed assets. However, these assets are not held for consumption, but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

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.

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.

Abram Pulman & Sons Limited

Notes to the Financial Statements *(continued)*

Period from 25 December 2015 to 31 December 2016

3. Accounting policies *(continued)*

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

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 company 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.

Abram Pulman & Sons Limited

Notes to the Financial Statements *(continued)*

Period from 25 December 2015 to 31 December 2016

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

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.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

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.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

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.

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:

	Period from 25 Dec 15 to 31 Dec 16 £	Period from 1 Jan 15 to 24 Dec 15 £
Sale of goods	9,316,197	9,231,177

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

Abram Pulman & Sons Limited

Notes to the Financial Statements *(continued)*

Period from 25 December 2015 to 31 December 2016

5. Other operating income

	Period from 25 Dec 15 to 31 Dec 16	Period from 1 Jan 15 to 24 Dec 15
	£	£
Rental income	31,440	18,440
Government grant income	—	39,811
	<u>31,440</u>	<u>58,251</u>

6. Operating profit

Operating profit or loss is stated after charging:

	Period from 25 Dec 15 to 31 Dec 16	Period from 1 Jan 15 to 24 Dec 15
	£	£
Depreciation of tangible assets	216,521	148,103
(Gains)/loss on disposal of tangible assets	(776,447)	20,602
Loss on disposal of intangible assets	—	6,070
Cost of stocks recognised as an expense	5,533,983	5,814,785
Finance charges on hire purchase agreements	36,561	16,396
Interest payable on bank loans and overdrafts	24,488	53,849
Operating lease payments	<u>43,749</u>	<u>23,020</u>

7. Auditor's remuneration

	Period from 25 Dec 15 to 31 Dec 16	Period from 1 Jan 15 to 24 Dec 15
	£	£
Fees payable for the audit of the financial statements	<u>4,500</u>	<u>4,517</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>7,550</u>	<u>3,963</u>

8. Staff costs

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

	31 Dec 16 No.	24 Dec 15 No.
Production staff	40	43
Administrative staff	<u>29</u>	<u>34</u>
	<u>69</u>	<u>77</u>

Abram Pulman & Sons Limited

Notes to the Financial Statements *(continued)*

Period from 25 December 2015 to 31 December 2016

8. Staff costs *(continued)*

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

	Period from 25 Dec 15 to 31 Dec 16	Period from 1 Jan 15 to 24 Dec 15
	£	£
Wages and salaries	1,866,670	2,044,867
Social security costs	187,745	202,794
Other pension costs	138,072	127,521
	<u>2,192,487</u>	<u>2,375,182</u>

9. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	Period from 25 Dec 15 to 31 Dec 16	Period from 1 Jan 15 to 24 Dec 15
	£	£
Remuneration	350,930	356,927
Company contributions to defined contribution pension plans	108,800	95,600
	<u>459,730</u>	<u>452,527</u>

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

	31 Dec 16 No.	24 Dec 15 No.
Defined contribution plans	<u>2</u>	<u>2</u>

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

	Period from 25 Dec 15 to 31 Dec 16	Period from 1 Jan 15 to 24 Dec 15
	£	£
Aggregate remuneration	176,241	179,013
Company contributions to defined contribution pension plans	54,400	47,800
	<u>230,641</u>	<u>226,813</u>

10. Exceptional items

	Period from 25 Dec 15 to 31 Dec 16	Period from 1 Jan 15 to 24 Dec 15
	£	£
Profit on disposal of fixed assets	<u>884,375</u>	<u>-</u>

The profit for the year includes an exceptional profit on disposal of fixed assets of £776,447. This has arisen due to the insurance proceeds resulting from the flood in the year, being received at replacement value.

Abram Pulman & Sons Limited

Notes to the Financial Statements *(continued)*

Period from 25 December 2015 to 31 December 2016

11. Interest payable and similar charges

	Period from 25 Dec 15 to 31 Dec 16 £	Period from 1 Jan 15 to 24 Dec 15 £
Interest on banks loans and overdrafts	24,488	53,849
Interest on obligations under finance leases and hire purchase contracts	36,561	16,396
	<u>61,049</u>	<u>70,245</u>

12. Tax on profit/(loss) on ordinary activities

Major components of tax expense/(income)

	Period from 25 Dec 15 to 31 Dec 16 £	Period from 1 Jan 15 to 24 Dec 15 £
Current tax:		
UK current tax expense	33,653	3,004
Deferred tax:		
Origination and reversal of timing differences	162,335	(67,307)
Tax on profit/(loss) on ordinary activities	<u>195,988</u>	<u>(64,303)</u>

Reconciliation of tax expense/(income)

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

	Period from 25 Dec 15 to 31 Dec 16 £	Period from 1 Jan 15 to 24 Dec 15 £
Profit/(loss) on ordinary activities before taxation	1,110,171	(384,529)
Profit/(loss) on ordinary activities by rate of tax	222,034	(76,906)
Effect of expenses not deductible for tax purposes	664	3,406
Effect of capital allowances and depreciation	(167,954)	(20,531)
Utilisation of tax losses	(48,456)	–
Unused tax losses	–	97,035
Chargeable gains	27,365	–
Deferred tax	162,335	(67,307)
Tax on profit/(loss) on ordinary activities	<u>195,988</u>	<u>(64,303)</u>

13. Dividends

	31 Dec 16 £	24 Dec 15 £
Dividends paid during the period	<u>35,923</u>	<u>3,510</u>

Abram Pulman & Sons Limited

Notes to the Financial Statements *(continued)*

Period from 25 December 2015 to 31 December 2016

14. Tangible assets

	Freehold and leasehold property £	Investment property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost						
At 25 Dec 2015	1,820,766	145,000	1,618,004	335,443	268,361	4,187,574
Additions	142,895	–	1,151,741	199,721	346,860	1,841,217
Disposals	(10,067)	–	(1,031,754)	(295,066)	(211,161)	(1,548,048)
At 31 Dec 2016	1,953,594	145,000	1,737,991	240,098	404,060	4,480,743
Depreciation						
At 25 Dec 2015	674,451	–	798,475	249,072	170,440	1,892,438
Charge for the period	5,587	–	123,563	34,915	52,461	216,526
Disposals	–	–	(491,120)	(228,356)	(150,831)	(870,307)
Revaluations	7,546	–	–	–	–	7,546
At 31 Dec 2016	687,584	–	430,918	55,631	72,070	1,246,203
Carrying amount						
At 31 Dec 2016	1,266,010	145,000	1,307,073	184,467	331,990	3,234,540
At 24 Dec 2015	1,146,315	145,000	819,529	86,371	97,921	2,295,136

Included in freehold and leasehold property is £505,000 of land (2015 - £505,000) which is not depreciated.

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:

	Plant and machinery £	Motor vehicles £	Total £
At 31 December 2016	1,016,457	265,899	1,282,356
At 24 December 2015	544,791	–	544,791

15. Stocks

	31 Dec 16 £	24 Dec 15 £
Raw materials and consumables	<u>908,737</u>	<u>893,912</u>

Abram Pulman & Sons Limited

Notes to the Financial Statements *(continued)*

Period from 25 December 2015 to 31 December 2016

16. Debtors

	31 Dec 16	24 Dec 15
	£	£
Trade debtors	1,915,771	1,882,136
Prepayments and accrued income	20,031	17,873
Directors loan account	47,458	47,458
Other debtors	467,541	—
	<u>2,450,801</u>	<u>1,947,467</u>

17. Creditors: amounts falling due within one year

	31 Dec 16	24 Dec 15
	£	£
Trade creditors	2,133,285	1,476,312
Accruals and deferred income	34,995	34,133
Corporation tax	33,653	—
Social security and other taxes	87,429	178,805
Obligations under finance leases and hire purchase contracts	270,464	123,773
Invoice financing	578,650	1,503,014
	<u>3,138,476</u>	<u>3,316,037</u>

The invoice financing creditor is secured by a debenture with a fixed and floating charge on all assets of the company. Hire purchase creditors are secured on the fixed assets to which they relate.

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

	31 Dec 16	24 Dec 15
	£	£
Accruals and deferred income	124,950	—
Obligations under finance leases and hire purchase contracts	840,371	208,033
	<u>965,321</u>	<u>208,033</u>

19. Finance leases and hire purchase contracts

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

	31 Dec 16	24 Dec 15
	£	£
Not later than 1 year	270,464	123,773
Later than 1 year and not later than 5 years	840,371	208,033
	<u>1,110,835</u>	<u>331,806</u>

Abram Pulman & Sons Limited

Notes to the Financial Statements *(continued)*

Period from 25 December 2015 to 31 December 2016

20. Provisions

	Deferred tax (note 21) £
At 25 December 2015	—
Additions	162,335
At 31 December 2016	162,335

21. Deferred tax

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

	31 Dec 16 £	24 Dec 15 £
Included in provisions (note 20)	162,335	—

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

	31 Dec 16 £	24 Dec 15 £
Accelerated capital allowances	285,077	—
Unused tax losses	(122,742)	—
	162,335	—

22. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £138,072 (2015: £127,521).

23. Government grants

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

	31 Dec 16 £	24 Dec 15 £
Recognised in creditors:		
Deferred government grants due within one year	2,550	—
Deferred government grants due after more than one year	124,950	—
	127,500	—
Recognised in other operating income:		
Government grants released to profit or loss	—	39,811

Abram Pulman & Sons Limited

Notes to the Financial Statements *(continued)*

Period from 25 December 2015 to 31 December 2016

24. Called up share capital

Issued, called up and fully paid

	31 Dec 16		24 Dec 15	
	No.	£	No.	£
Ordinary shares of £5 each	—	—	1,404	7,020
Ordinary A shares of £5 each	804	4,020	—	—
Ordinary B shares of £5 each	200	1,000	—	—
Ordinary C shares of £5 each	200	1,000	—	—
Ordinary D shares of £5 each	200	1,000	—	—
	<u>1,404</u>	<u>7,020</u>	<u>1,404</u>	<u>7,020</u>

During the year the company's share capital was redesignated as A, B, C and D ordinary shares. All shares rank *pari passu* except that dividends may be declared at variable rates on each class of shares.

25. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

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

26. Capital commitments

Capital expenditure contracted for but not provided for in the financial statements is as follows:

	31 Dec 16	24 Dec 15
	£	£
Tangible assets	<u>45,468</u>	<u>125,000</u>

27. Operating leases

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

	31 Dec 16	24 Dec 15
	£	£
Not later than 1 year	24,099	—
Later than 1 year and not later than 5 years	21,931	62,805
	<u>46,030</u>	<u>62,805</u>

Abram Pulman & Sons Limited

Notes to the Financial Statements *(continued)*

Period from 25 December 2015 to 31 December 2016

28. Contingencies

There is a contingent liability for the payment of £61,000 of purchase invoices to a supplier. The invoices are in dispute due to the quality of the work supplied and have not been posted to the purchase ledger. It is expected that a settlement between £10,000 and £20,000 will be reached.

29. Directors' advances, credits and guarantees

During the period the directors entered into the following advances and credits with the company:

	Balance brought forward and outstanding	
	31 Dec 16	24 Dec 15
	£	£
Mr D Shoesmith	27,650	27,650
Mr J Horner	19,808	19,808
	<u>47,458</u>	<u>47,458</u>

The above loans are unsecured, interest free and repayable on demand.

Dividends of £17,969 (2015 - £2,150) were paid to Mr D Shoesmith in the year and £17,954 (2015 - £185) to Mr C Horner.

30. Controlling party

The company is under the control of Mr D Shoesmith as Managing Director and majority shareholder