

REGISTER OF  
COMPANIES

# Blue Machinery (Group) PLC

Report and Consolidated Financial Statements

for the year ended

31 January 2016

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Company Registration No. 04868103

# Blue Machinery (Group) PLC

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# **Blue Machinery (Group) PLC**

## **Officers and Professional Advisors**

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### **Directors**

Mr A Carey  
Mr B V Maxwell  
Mr E J Donnelly  
Mr P O McGeary

### **Secretary**

Mr E J Donnelly

### **Company number**

04868103

### **Registered Office**

Appleton Thorn Trading Estate  
Warrington  
Cheshire  
England  
WA4 4SN

### **Auditor**

RSM UK Audit LLP  
Chartered Accountants  
3 Hardman Street  
Manchester  
M3 3HF

### **Bankers**

Bank of Scotland  
117 Foregate Street  
Chester  
CH1 1HE

### **Solicitors**

Brindley Twist Tafft & James  
Lowick Gate  
Siskin Drive  
Coventry  
United Kingdom  
CV3 4FJ

# Blue Machinery (Group) PLC

## Strategic Report

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The directors present the strategic report and financial statements for the year ended 31 January 2016.

### Review of the business

The group has had a satisfactory year of trade reporting a gross profit of £6.7 M (2015- £4.6M) and pre-tax profit of £2.6M (2015- £1.3M). The balance sheet shows net current assets of £4.6M (2015- £3.2M)

At the year end the group had shareholder funds of £5,154,275 (2015 - £3,680,291) including distributable profits of £3,832,397 (2015 - £2,358,413). The directors therefore believe the group's position to be satisfactory.

The directors have assessed the main risk facing the group as being competition in the market in which it operates, a market in which global political and economic pressures are increasing the need for environmental protection and waste reduction. The directors believe that the quality of the group's products and customer service will help mitigate these risks and hope to see continued growth and satisfactory trading results in the coming year.

### Key performance indicators

The group's key performance indicators comprising profit before tax, net current assets, shareholders' funds, and distributable profits are shown above.

### Financial risk management objectives and policies

The group finances its operations through a mixture of retained profits, stocking finance, bank borrowings and where necessary to fund capital expenditure programmes through hire purchase financing arrangements. The management's objectives are to:

- retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due; and
- match the repayment schedule of any external finance with the future cash flows expected to arise from the company's trading activities.

As the group's surplus funds are primarily invested in sterling bank accounts, this limits exposure to price risk. Surplus funds held in foreign currencies do however expose the group to price risk from foreign exchange movements. Credit risk associated with these funds is minimised through holding accounts with a UK clearing bank.

The group is exposed to price risk in connection with certain sales and purchases being denominated in foreign currencies. This exposes the company to the uncertainty of exchange rate movements. Hedge accounting is not used by the company since the directors do not consider the additional costs incurred in reducing exchange risk to be worthwhile.

The group's credit risk is primarily attributable to its trade debtors. Credit insurance is utilised to reduce this particular risk.

The group holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations;
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and
- (c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the group's operations.

Transactions in financial instruments result in the group assuming or transferring to another party one or more of the financial risks described below.

# Blue Machinery (Group) PLC

## Strategic Report

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### Interest rate risk

The company finances its operations through a mixture of retained profits and borrowings. The company's exposure to interest fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

### Credit risk

The group monitors credit risk closely and considers that its current policies of credit checks meet its objectives of managing exposure to credit risk.

The group has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

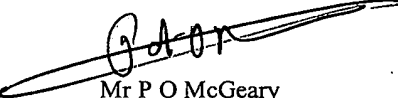
### Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through company bank accounts and borrowings facilities.

### Currency risk

The group is exposed to transaction and translation foreign exchange risk. The group purchases spare parts in Euros and US Dollars. Hedge accounting is not used by the group since the directors do not consider the additional costs incurred in reducing exchange risk to be worthwhile.

On behalf of the board



Mr P O McGeary

Director

8 July

2016

# **Blue Machinery (Group) PLC**

## **Directors' Report**

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The directors present their report and financial statements for the year ended 31 January 2016.

### **Principal activities**

The principal activity of the company continues to be that of the sale and marketing of plant and machinery for the quarrying and waste recycling industries.

### **Results and dividends**

The group's trading profit for the year, after taxation was £2,073,985 (2015 - £1,032,652).

Particulars of dividends paid are detailed in note 9 to the financial statements.

### **Directors**

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

Mr A Carey  
Mr B V Maxwell  
Mr E J Donnelly  
Mr P O McGeary

### **Charitable donations**

During the year the group made charitable donations of £2,250 (2015 - £2,050).

### **Employee involvement**

The flow of information to staff has been maintained through regular group meetings. Members of the management team regularly visit branches and discuss matters of current interest and concern to the business with members of staff.

### **Disabled persons**

The group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retention of employees who become disabled whilst employed by the group. Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the group.

### **Auditors**

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors 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 group's auditors are aware of that information.

# Blue Machinery (Group) PLC

## Directors' Report

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### Strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 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. This includes information that would have been included in the business review and the principal risks and uncertainties.

On behalf of the board



Mr P O McGeary  
Director

8 July 2016

# Blue Machinery (Group) PLC

## Directors' Responsibilities in the Preparation of Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# Blue Machinery (Group) PLC

## Independent Auditor's Report to the Members

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We have audited the group and parent company financial statements ("the financial statements") on pages 8 to 28. 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 FRS102 "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 more fully explained in the Directors' Responsibilities Statement set out on page 6, 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 (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 January 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

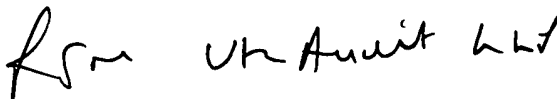
### Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns;
- 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.



Peter Donnelly (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

Date: 15/7/16

**Blue Machinery (Group) PLC**  
**Consolidated statement of comprehensive income**  
For the year ended 31 January 2016

	<i>Notes</i>	2016 £	2015 £
<b>Turnover</b>	1	24,717,017	19,540,987
<b>Cost of Sales</b>		<u>(18,037,134)</u>	<u>(14,939,244)</u>
<b>Gross Profit</b>		<u>6,679,883</u>	<u>4,601,743</u>
<b>Administrative Expenses</b>		(4,395,580)	(3,427,618)
<b>Other Operating Income</b>	5	<u>290,234</u>	<u>240,000</u>
<b>Operating Profit</b>	3	<u>2,574,537</u>	<u>1,414,125</u>
Interest receivable and similar income		323	82
Interest payable and similar charges		(86,682)	(91,382)
Other gains and losses	6	<u>130,138</u>	<u>-</u>
<b>Profit / (loss) on Ordinary Activities Before Taxation</b>		<u>2,618,316</u>	<u>1,322,825</u>
Taxation	7	<u>(544,332)</u>	<u>(290,173)</u>
<b>Profit / (loss) on Ordinary Activities After Taxation for the Financial Period and Total comprehensive income for the year</b>		<u>2,073,984</u>	<u>1,032,652</u>

There are no recognised gains and losses other than the profit for the period. The operating profit for the period arises from the group's continuing operations.

# Blue Machinery (Group) PLC


## Statements of Financial Position

31 January 2016

Company Registration No. 04868103

	Notes	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
<b>Fixed Assets</b>					
Tangible assets	11	755,987	777,030	-	-
Investments	12	-	-	1,271,879	1,271,879
		<u>755,987</u>	<u>777,030</u>	<u>1,271,879</u>	<u>1,271,879</u>
<b>Current Assets</b>					
Stocks	13	5,161,396	4,006,559	-	-
Debtors	14	3,272,716	2,451,128	162,497	160,737
Cash at bank and in hand		1,621,591	412,972	516	10,548
		<u>10,055,703</u>	<u>6,870,659</u>	<u>163,013</u>	<u>171,285</u>
<b>Creditors</b>					
Amounts falling due within one year	15	(5,383,392)	(3,649,398)	(30)	-
<b>Net Current Assets</b>		<u>4,672,311</u>	<u>3,221,621</u>	<u>162,983</u>	<u>171,285</u>
<b>Total Assets less Current Liabilities</b>		<u>5,428,298</u>	<u>3,998,291</u>	<u>1,434,862</u>	<u>1,443,164</u>
<b>Creditors</b>					
Amounts falling due after more than one year	16	(232,815)	(307,248)	-	-
<b>Provisions for liabilities</b>					
Deferred tax		(41,208)	(10,752)	-	-
<b>Net Assets</b>		<u>5,154,275</u>	<u>3,680,291</u>	<u>1,434,862</u>	<u>1,443,164</u>
<b>Capital and Reserves</b>					
Share capital	22	100,000	100,000	100,000	100,000
Share premium		1,221,878	1,221,878	1,221,878	1,221,878
Profit and loss account		3,832,397	2,358,413	112,984	121,286
<b>Total shareholders' funds</b>		<u>5,154,275</u>	<u>3,680,291</u>	<u>1,434,862</u>	<u>1,443,164</u>

These financial statements on pages 2 to 28 were approved by the directors, authorised for issue and are signed on their behalf by:



Mr P O McGeary  
Director

Date: 8 July 2016

**Blue Machinery (Group) PLC**  
**Consolidated Statement of Changes in Equity**  
31 January 2016

Company Registration No. 6955416

**Consolidated Statement of Changes in Equity**

	<b>Share Capital £</b>	<b>Share Premium £</b>	<b>Profit &amp; Loss £</b>	<b>Total £</b>
<b>Balance at 1 February 2014</b>	100,000	1,221,878	1,925,761	3,247,639
<b>Period ended 31 January 2015:</b>				
Profit and total comprehensive income for the year	-	-	1,032,652	1,032,652
Dividends paid	-	-	(600,000)	(600,000)
<b>Balance at 31 January 2015</b>	<u>100,000</u>	<u>1,221,878</u>	<u>2,358,413</u>	<u>3,680,291</u>
<b>Period ended 31 January 2016:</b>				
Profit and total comprehensive income for the year			2,073,984	2,073,984
Dividends			(600,000)	(600,000)
<b>Balance at 31 January 2016</b>	<u>100,000</u>	<u>1,221,878</u>	<u>3,832,397</u>	<u>5,154,275</u>

**Blue Machinery (Group) PLC**  
**Company Statement of Changes in Equity**  
31 January 2016

Company Registration No. 6955416

	<b>Share Capital £</b>	<b>Share Premium £</b>	<b>Profit &amp; Loss £</b>	<b>Total £</b>
<b>Balance at 1 February 2014</b>	<u>100,000</u>	<u>1,221,878</u>	<u>131,077</u>	<u>1,452,955</u>
<b>Period ended 31 January 2015:</b>				
Total comprehensive income for the year	-	-	590,209	590,209
Dividends paid	-	-	(600,000)	(600,000)
<b>Balance at 31 January 2015</b>	<u>100,000</u>	<u>1,221,878</u>	<u>121,286</u>	<u>1,443,164</u>
<b>Period ended 31 January 2016:</b>				
Total comprehensive income for the year			591,698	591,698
Dividends			(600,000)	(600,000)
<b>Balance at 31 January 2016</b>	<u>100,000</u>	<u>1,221,878</u>	<u>112,984</u>	<u>1,434,862</u>

# Blue Machinery (Group) PLC

## Consolidated Statement of Cash Flows

For the year ended 31 January 2016

	Notes	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	23	2,241,426	1,489,530
Interest paid		(86,682)	(91,300)
Income taxes paid		(368,691)	(411,034)
<b>Net cash from/(used in) operating activities</b>		<u>1,786,053</u>	<u>987,196</u>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(214,413)	(470,107)
Purchase of intangible assets		(108,641)	-
Proceeds on disposal of intangible assets		108,641	-
Proceeds on disposal of tangible fixed assets		47,358	47,790
Interest received		323	-
<b>Net cash from/(used in) investing activities</b>		<u>(166,732)</u>	<u>(422,317)</u>
<b>Financing activities</b>			
Proceeds of other borrowings		327,050	370,918
Issue / (Repayment) in stocking facility		(131,835)	128,169
Reduction in hire purchase agreements		(5,917)	(557,962)
Dividends paid		(600,000)	(600,000)
<b>Net cash from/(used in) financing activities</b>		<u>(410,702)</u>	<u>(658,875)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>1,208,619</u>	<u>(93,996)</u>
<b>Cash and cash equivalents at beginning of year</b>		<u>412,972</u>	<u>506,968</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>1,621,591</u></u>	<u><u>412,972</u></u>
<b>Relating to:</b>			
Cash at bank and in hand		<u><u>1,621,591</u></u>	<u><u>412,972</u></u>

# Blue Machinery (Group) PLC

## Notes to financial statements

For the year ended 31 January 2016

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### ACCOUNTING POLICIES

#### General Information

Blue Machinery (Group) PLC ("the Company") is a limited company domiciled and incorporated in England.

The address of the Company's registered office and place of business is Appleton Thorn Trading Estate, Warrington, Cheshire, England, WA4 4SN.

The principal activity of the company continues to be that of the sale and marketing of plant and machinery for the quarrying and waste recycling industries.

#### Basis of Accounting

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 the financial statements are rounded to the nearest whole £1, except where otherwise indicated.

These financial statements are the first financial statements of Blue Machinery (Group) PLC prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Blue Machinery (Group) Limited for the year ended 31 January 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. The reported financial position and financial performance for the previous period are not affected by transition to FRS 102.

#### Going Concern

The group is trading profitably, has significant financial resources together with an established customer base. As a consequence the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Basis of Consolidation

The consolidated financial statements comprise the audited accounts of the company and its subsidiaries. All the financial statements are made up to 31 January 2016. Profits and losses of companies entering or leaving the group are included from the date of acquisition or up to the date of disposal. The net assets of subsidiaries acquired are included on the basis of their fair value at the date of acquisition. The group uses the acquisition method of accounting to consolidate the results of subsidiary undertakings from the date of incorporation.

The company has taken advantage of Section 408 of the Companies Act 2006 not to present its own profit and loss account.

#### Reduced disclosures

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements in respect of its individual financial statements. These disclosures are given on a consolidated basis;

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures

The financial statements of the Company are consolidated in the financial statements of Blue Machinery (Group) PLC.

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# Blue Machinery (Group) PLC

## Notes to financial statements

For the year ended 31 January 2016

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### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary course of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax and recognised when goods are sold to customers.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### Intangible fixed assets - Goodwill

Negative goodwill in relation to non-monetary assets acquired has been amortised over the useful economic life of the assets to which it relates.

Negative goodwill in excess of the fair value of non-monetary assets of £119,964 has been amortised in the profit and loss account over two years. This has arisen as the price paid for Blue Machinery (Fuchs) Limited recognised anticipated future losses.

### Amortisation

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful economic life of that asset as follows:

Intangibles	-	50% per annum straight line
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### 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:

Short leasehold property	-	Straight line over life of the lease
Plant & machinery	-	25% - 50% per annum straight line
Fixtures, fittings and equipment	-	25% - 50% per annum straight line
Vehicles	-	25%- 33% per annum 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.

### Impairment of fixed assets

At each reporting 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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.



# Blue Machinery (Group) PLC

## Notes to financial statements

For the year ended 31 January 2016

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### **Impairment of fixed assets (*continued*)**

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.

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) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### **Operating Lease Agreements**

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.

### **Finance Lease Agreements**

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.

### **Retirement Benefits**

The contributions to the money purchase scheme are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

### **Investments in subsidiary undertakings**

Long term investments are described as participating interests and are classified as fixed assets. Participating interests are stated at cost in the Company's balance sheet. Provision is made for any impairment in the value.

### **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.

### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

# Blue Machinery (Group) PLC

## Notes to financial statements

For the year ended 31 January 2016

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### **Taxation (continued)**

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured at the average tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

### **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 holiday year for Blue Machinery (Group) PLC ends at the reporting date and employees are not entitled to carry forward unused holiday.

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

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### **Foreign Exchange**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating profit.

### **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, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### **Basic financial assets**

Basic financial assets, which include trade and other receivables 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

# Blue Machinery (Group) PLC

## Notes to financial statements

For the year ended 31 January 2016

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### *Other financial assets*

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

### *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*

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, 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.

### *Basic financial liabilities*

Basic financial liabilities, including trade and other payables, 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 payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

### *Other financial liabilities*

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

### *Derecognition of financial liabilities*

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

### *Equity instruments*

Equity instruments issued by the group 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.

### *Trade creditors*

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

# Blue Machinery (Group) PLC

## Notes to financial statements

For the year ended 31 January 2016

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### ***Borrowings***

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

### **Critical accounting estimated and areas of judgement**

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 Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions 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 year are discussed below.

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Group as lessee.

### **1 Turnover**

The turnover and loss before tax are attributable to the principal activities of the company, which operates in the United Kingdom.

### **2 Turnover analysed by geographical area**

	2016	2015
	£	£
United Kingdom	23,932,556	18,674,221
Overseas	784,461	866,766
	<u>24,717,017</u>	<u>19,540,987</u>

### **3 Operating Profit**

	2016	2015
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Fees payable to the Group's auditors for the audit of the Group's financial statements	24,700	20,000
Depreciation of tangible fixed assets		
- owned	179,435	151,187
- held under finance leases and hire purchase contracts	-	22,796
Loss on disposal of tangible assets	8,664	5,146
Impairment stock	22,250	-
Operating lease rentals	274,721	207,866
Costs of stocks recognised as an expense	<u>18,328,321</u>	<u>14,167,025</u>

# Blue Machinery (Group) PLC

## Notes to financial statements

For the year ended 31 January 2016

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<b>4</b>	<b>Employees</b>	<b>2016</b>	<b>2015</b>
		<b>No</b>	<b>No</b>
	Average number employed including executive directors:		
	Number of administrative staff	48	44
	Number of management staff	8	6
		<u>56</u>	<u>50</u>
	Aggregate payroll costs of the above were:		
		<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	Staff costs including directors:		
	Wages and salaries	2,422,131	2,074,139
	Social security costs	263,486	235,426
		<u>2,685,617</u>	<u>2,309,565</u>
<b>5</b>	<b>Other operating income</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	Recharges receivable	290,234	240,000
		<u>290,234</u>	<u>240,000</u>
<b>6</b>	<b>Interest payable and similar charges</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	11,417	10,765
	Hire purchase interest	323	5,585
	On overdue tax	-	1,657
	Other interest	74,942	73,375
		<u>86,682</u>	<u>91,382</u>

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# Blue Machinery (Group) PLC

## Notes to financial statements

For the year ended 31 January 2016

<b>7</b>	<b>Taxation</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	Current tax:		
	In respect of the year:		
	UK corporation tax	566,870	293,754
	Adjustments in respect of prior years	(52,995)	(1,482)
	Total current tax	513,875	292,272
	Deferred taxation:		
	Origination and reversal of timing differences	30,457	(2,099)
	Adjustments in respect of prior years	-	-
	Total deferred tax charge	30,457	(2,099)
	Tax on profit / (loss) on ordinary activities	544,332	290,173
	Factors affecting tax charge for period:	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 20.16 % (2015: 21.32%).		
	The differences are explained below:		
	Profit on ordinary activities before tax	2,626,617	1,322,825
	Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.16% (2015: 21.32%)	529,526	282,026
	Effects of:		
	Fixed asset differences	14,743	1,902
	Expenses not deductible for tax purposes	5,001	6,899
	Effect of change in local corporation tax rate	(4,484)	-
	Differences between capital allowances and depreciation	-	3,137
	Adjustments to tax charge in respect of prior periods	(52,995)	(1,482)
	Deferred tax adjustment in respect to prior year	46,781	(2,099)
	Other	5,760	(210)
	Total tax charge	544,332	290,173
<b>8</b>	<b>Profit attributable to members of the parent company</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	Dealt with in the financial statements of the parent company	591,698	590,209
<b>9</b>	<b>Dividends</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	Dividends paid on ordinary shares	600,000	600,000

# Blue Machinery (Group) PLC

## Notes to financial statements

For the year ended 31 January 2016

<b>10 Goodwill</b>					<b>Group £</b>
<b>Cost</b>					
At 1 February 2015					111,064
Additions					108,641
Disposals					(108,641)
At 31 January 2016					111,064
<b>Amortisation</b>					
At 1 February 2015					111,064
Depreciation charge					-
Disposals					-
At 31 January 2016					111,064
<b>Net book value</b>					
At 31 January 2016					-
At 31 January 2015					-
<b>11 Tangible Fixed Assets Group</b>					
	<b>Short leasehold property £</b>	<b>Plant and machinery £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Vehicles £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 February 2015	570,969	465,505	295,222	192,200	1,523,896
Additions	89,304	18,635	61,740	44,734	214,413
Disposals	-	(18,635)	(10,332)	(67,351)	(96,318)
At 31 January 2016	660,273	465,505	346,630	169,583	1,641,991
<b>Depreciation</b>					
At 1 February 2015	89,013	301,728	188,118	168,006	746,865
Charge for the year	59,553	54,971	47,299	17,611	179,434
Disposals	-	(3,044)	(1,687)	(35,565)	(40,296)
At 31 January 2016	148,566	353,655	233,730	150,052	886,003
<b>Net book value</b>					
At 31 January 2016	511,707	111,850	112,900	19,531	755,988
At 31 January 2015	481,956	163,777	107,103	24,194	777,030

# Blue Machinery (Group) PLC

## Notes to financial statements

For the year ended 31 January 2016

### 11 Tangible fixed assets (continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £	Motor vehicles £	Total £
<b>Net book value</b>			
At 31 January 2016	-	-	-
At 31 January 2015	-	21,572	21,572
<b>Depreciation charge for the year</b>			
At 31 January 2016	-	-	-
At 31 January 2015	-	22,796	22,796

#### Acquisitions and Disposals

In March 2015 the company purchased the trade and assets of MacMachinery Ltd for a total consideration of £222,199. The assets acquired during the transaction were treated as additions during the financial year.

In January 2016 the trade and assets previously acquired from MacMachinery Ltd were then disposed of to Blue equipment (Ireland) Ltd, therefore treating the newly acquired assets as now disposed of at the year end.

### 12 Fixed asset investments

#### Company

#### Cost

At 1 February 2015 and 31 January 2016

#### Unlisted Investments

1,271,879

#### Net book value

At 31 January 2016

1,271,879

At 31 January 2015

1,271,879

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	%
<b>Subsidiary undertaking</b>			
Blue Machinery (Spares) Limited	England & Wales	Ordinary shares	100
Blue Machinery (Fuchs) Limited	England & Wales	Ordinary shares	100
Blue Machinery (Equipment) Limited	England & Wales	Ordinary shares	100

The principal activity of these undertakings for the last relevant financial year was as follows:

	<b>Principal activity</b>
Blue Machinery (Spares) Limited	Supply of spares to quarrying and waste recycling and washing industries
Blue Machinery (Fuchs) Limited	Sellers of specialist waste handling equipment
Blue Machinery (Equipment) Limited	Dormant



# Blue Machinery (Group) PLC

## Notes to financial statements

For the year ended 31 January 2016

<b>13 Stocks</b>	<b>Group</b> <b>2016</b> <b>£</b>	<b>Group</b> <b>2015</b> <b>£</b>	<b>Company</b> <b>2016</b> <b>£</b>	<b>Company</b> <b>2015</b> <b>£</b>
Finished goods for resale	5,161,396	4,006,559	-	-
<b>14 Debtors</b>	<b>Group</b> <b>31 January</b> <b>2016</b> <b>£</b>	<b>Group</b> <b>31 December</b> <b>2015</b> <b>£</b>	<b>Company</b> <b>31 January</b> <b>2016</b> <b>£</b>	<b>Company</b> <b>31 December</b> <b>2015</b> <b>£</b>
Trade debtors	2,529,708	1,786,348	-	-
Amounts owed by group undertakings	-	-	112,497	110,737
Other debtors	608,184	403,888	50,000	50,000
Prepayments and accrued income	134,824	260,892	-	-
	<u>3,272,716</u>	<u>2,451,128</u>	<u>162,497</u>	<u>160,737</u>
<b>15 Creditors: Amounts Falling Due within One Year</b>	<b>Group</b> <b>31 January</b> <b>2016</b> <b>£</b>	<b>Group</b> <b>31 January</b> <b>2015</b> <b>£</b>	<b>Company</b> <b>31 January</b> <b>2016</b> <b>£</b>	<b>Company</b> <b>31 January</b> <b>2015</b> <b>£</b>
Bank loans and overdrafts	91,061	148,463	-	-
Net obligations under finance lease and hire purchase creditors	-	5,917	-	-
Trade creditors	2,138,617	1,572,950	-	-
Corporation tax	261,627	116,443	-	-
Other taxes and social security	634,322	438,431	-	-
Stocking facility	1,488,130	1,161,080	-	-
Other creditors	23,607	-	-	-
Accruals and deferred income	746,028	206,114	30	-
	<u>5,383,392</u>	<u>3,649,398</u>	<u>30</u>	<u>-</u>
Debts due in one year or less	<u>1,579,191</u>	<u>1,309,543</u>	<u>-</u>	<u>-</u>

The bank loans and overdraft of £91,061 (2015 - £148,463), stocking facility of £1,488,130 (2015 - £1,161,080) and the hire purchase agreement of £Nil (2015 - £5,917) disclosed under creditors falling due within one year are secured by the company.

The stocking finance is secured over the assets to which it relates.

The bank overdrafts are secured by a debenture over the whole of the assets of Blue Machinery (Spares) Limited together with a cross guarantee given by Londel Limited in respect of Blue Machinery (Spares) Limited.

The bank loan is secured by a standard debenture over the assets of Blue Machinery (Fuchs) Limited.

# Blue Machinery (Group) PLC

## Notes to financial statements

For the year ended 31 January 2016

### 16 Creditors: Amounts Falling Due after more than One Year

	Group 31 January 2016 £	Group 31 January 2015 £	Company 31 January 2016 £	Company 31 January 2015 £
Bank loan	232,815	307,248	-	-
Net obligations under finance leases and hire purchase agreements	-	-	-	-
	<u>232,815</u>	<u>307,248</u>	<u>-</u>	<u>-</u>
<b>Analysis of debt maturity</b>				
Wholly repayable within five years	1,812,006	1,616,791	-	-
Included in current liabilities	<u>(1,579,191)</u>	<u>(1,309,543)</u>		
	<u>232,815</u>	<u>307,248</u>	<u>-</u>	<u>-</u>
<b>Debt maturity analysis</b>				
Amount payable:				
In more than two years but not more than five years	<u>232,815</u>	<u>307,248</u>	<u>-</u>	<u>-</u>

### Net obligations under finance leases and hire purchase contracts

	Group 31 January 2016 £	Group 31 January 2015 £	Company 31 January 2016 £	Company 31 January 2015 £
Amounts payable:				
Within one year	-	5,917	-	-
Within two to five years	-	-	-	-
	<u>-</u>	<u>5,917</u>	<u>-</u>	<u>-</u>
Included in liabilities falling due within one year	<u>-</u>	<u>(5,917)</u>		
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Obligations under finance lease and hire purchase contracts are wholly payable within five years and are effectively secured on the tangible fixed assets and stocks to which they relate.

# Blue Machinery (Group) PLC

## Notes to financial statements

For the year ended 31 January 2016

### 17 Financial Instruments

	2016 £	Group 2015 £	2016 £	Company 2015 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	3,007,754	2,190,236	151,247	160,737
Equity instruments measured at cost less impairments measured at fair value through	130,138	-	-	-
	<u>3,137,892</u>	<u>2,190,236</u>	<u>151,247</u>	<u>160,737</u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	4,613,754	3,195,658	-	-
	<u>4,613,754</u>	<u>3,195,658</u>	<u>-</u>	<u>-</u>

#### Foreign exchange forward contracts

3.1% of the Group turnover relates to transactions conducted in Euros. As a consequence the Group uses foreign exchange currency forward contracts to manage foreign currency risk of future transaction and cash flows.

The contracts are valued on available market data. The Group does not adopt hedge accounting for forward exchange contracts, consequently, fair value gains and losses are recognised in profit and loss.

At the year end, the total carrying amount of outstanding foreign exchange forward contracts that the Group has committed to is £130,138 (2015 - £Nil).

### 18 Provisions for liabilities

Group	Deferred Taxation £
Balance at 1 February 2015	10,752
Profit and loss account	30,456
Balance at 31 January 2016	<u>41,208</u>

The deferred tax liability is made up as follows:

	Group 31 January 2016 £	Group 31 January 2015 £	Company 31 January 2016 £	Company 31 January 2015 £
Accelerated capital allowances	<u>41,208</u>	<u>10,752</u>	<u>-</u>	<u>-</u>

# Blue Machinery (Group) PLC

## Notes to financial statements

For the year ended 31 January 2016

### 19 Commitments under operating leases

At 31 December 2015 the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Land and Buildings 2016 £	Land and Buildings 2015 £	Other 2016 £	Other 2015 £
Expiry date:				
Within one year	60,000	60,000	126,120	135,644
Between two and five years	290,000	350,000	105,367	114,274
In over five years	-	-	-	-
	<u>350,000</u>	<u>410,000</u>	<u>231,487</u>	<u>249,918</u>

### 20 Control

Throughout the current and previous period, the company was under the control of the directors, Mr P O McGeary, Mr E J Donnelly, Mr B V Maxwell and Mr A Carey who each hold 25% of the issued share capital of Blue Machinery (Group) PLC.

### 21 Share Capital

	31 January 2016 £	31 January 2015 £
Allotted, called up and fully paid:		
Ordinary share capital of £1 each	<u>100,000</u>	<u>100,000</u>

### 22 Notes to Statement of Cash Flows

#### Reconciliation of profit after tax to net cash generated from/ (used in) operations

	2016 £	2015 £
Profit after taxation	2,073,984	1,032,652
Depreciation	179,434	173,983
Loss on disposal of fixed assets	8,664	5,146
Interest payable	86,682	91,300
Interest received	(323)	-
Taxation	544,331	290,173
	<u>2,892,772</u>	<u>1,593,254</u>
<b>Movement in working capital</b>		
Decrease in stock	(1,154,837)	69,848
(Increase)/decrease in debtors	(821,588)	88,568
Increase/(decrease) in creditors	1,325,079	(262,140)
	<u>2,241,426</u>	<u>1,489,530</u>
Cash generated from/(used in) operations		

# Blue Machinery (Group) PLC

## Notes to financial statements

For the year ended 31 January 2016

### 23 Related Party Transactions

The following transactions occurred during the year in which one or more directors had material interest

	2016 £	2015 £
<b>Blue Machinery (Central) Limited – Director: Mr P O McGearry</b>		
Goods and services sold to Blue Machinery (Central) Limited	597,052	526,635
Amounts owed by Blue Machinery (Central) Limited at the year end	99,942	69,674
Rent received from Blue Machinery (Central) Limited	-	-
Goods and services purchased from Blue Machinery (Central) Limited	21,114	6,167
Interest free loan owed to Blue Machinery (Central) Limited at year end	-	-
Amounts owed to Blue Machinery (Central) Limited at the year end	2,832	250
<b>Londel Limited – all common shareholders</b>		
Goods and services sold to Londel Limited	-	-
Rent paid to Londel Limited	72,000	72,000
Interest free loan owed by Londel Limited	41,988	44,604
<b>Blue Machinery (London) Limited – Director: Mr E J Donnelly</b>		
Goods and services sold to Blue Machinery (London) Limited	221,069	209,989
Amounts owed by Blue Machinery (London) Limited at the year end	120,647	44,402
Goods and services purchased from Blue Machinery (London) Limited	6,825	4,405
Interest free loan owed to Blue Machinery (London) Limited at year end	-	-
Amounts owed to Blue Machinery (London) Limited at the year end	1,042	981
<b>Blue Machinery (Southern) Limited – Director: Mr B V Maxwell</b>		
Goods sold and costs recharged to Blue Machinery (Southern) Limited	719,602	819,064
Amounts owed by Blue Machinery (Southern) Limited at the year end	124,371	92,744
Goods sold and costs purchased from Blue Machinery (Southern) Limited	36,931	27,354
Interest free loan owed to Blue Machinery (Southern) Limited at the year end	-	-
Amount owed to Blue Machinery (Southern) Limited at the year end	5,695	3,860
<b>Blue Machinery (Scotland) Limited – Director: Mr A Carey</b>		
Goods and services sold to Blue Machinery (Scotland) Limited	660,220	458,879
Amounts owed by Blue Machinery (Scotland) Limited at the year end	218,978	105,118
Rent paid to Blue Machinery (Scotland) Limited	25,000	25,000
Goods and services purchased from Blue Machinery (Scotland) Limited	57,816	33,123
Interest free loan owed to Blue Machinery (Scotland) Limited at year end	-	-
Amounts owed to Blue Machinery (Scotland) Limited at the year end	5,908	760

# Blue Machinery (Group) PLC

## Notes to financial statements

For the year ended 31 January 2016

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<b>23</b>	<b>Related Party Transactions (<i>continued</i>)</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>

**Wear and Spare Parts Limited – all common shareholders**

Goods and services sold to Wear and Spare Parts Limited	189,942	383,369
Amounts owed by Wear and Spare Parts Limited at the year-end	30,982	117,597
Goods and services purchased from Wear and Spare Parts Limited	64,990	11,023
Amounts owed to Wear and Spare Parts Limited at the year-end	2,746	-
Interest free loan owed by Wear and Spare Parts Limited	179,310	149,310

**Blue MAC (Manufacturing) Limited – Director: Mr P O McGeary**

Amounts owed to Blue MAC (Manufacturing) Limited at the year-end	646	(1,201)
Goods purchased and costs recharged	2,726	80,247

Mr P O McGeary, Mr E J Donnelly, Mr B V Maxwell and Mr A Carey each own 12.5% of the issued share capital of Blue MAC (Manufacturing) Limited.

The company has taken exemption, available under Financial Reporting Standard 8, not to disclose transactions with companies 100% owned by the company.

Each of the directors received £150,000 (2015 - £150,000) in dividends paid by the company during the year.

**Remuneration of key management personnel**

The total remuneration of the directors and other employees who are considered to be key management personnel was £561,372 (2015- £484,395).

**24 First time adoption of FRS 102**

On the adoption of FRS 102 there was no effect on the balance of equity and profit and loss previously reported on transition at 1 February 2014 and 31 January 2015.

Some of the FRS 102 presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102.

Under FRS 102, the Statement of Cash Flows presents changes in cash and cash equivalents (which include cash in hand, deposits repayable on demand and overdrafts and short-term, highly liquid investments), showing changes arising from operating activities, investing activities and financing activities separately. Under previous UK GAAP, the Cash Flow Statement presented changes in cash (which includes cash in hand, deposits repayable on demand and overdrafts) under the headings of operating activities, returns on investments and servicing of finance, taxation, capital expenditure and financial investment, acquisitions and disposals, equity dividends paid, management of liquid resources, and financing.