

Company Registration No 00011136 (England and Wales)

**BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME  
GROUP LIMITED)**

**DIRECTORS' REPORT AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2012**

THURSDAY



\*A2BVBOVN\*

A34

04/07/2013

#79

COMPANIES HOUSE

# **BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)**

## **COMPANY INFORMATION**

---

<b>Directors</b>	M T Mann C S B Johnson
<b>Company number</b>	00011136
<b>Registered office</b>	c/o UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT
<b>Auditors</b>	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT
<b>Business address</b>	Building 5, Universal Square Devonshire Street Ardwick Manchester M12 6JH
<b>Bankers</b>	Bank of Scotland 38 St Andrew Square Edinburgh EH2 2AD

---

# **BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)**

## **CONTENTS**

---

	<b>Page</b>
Directors' report	1 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the cash flow statement	9
Notes to the financial statements	10 - 18

---

# **BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 MARCH 2012***

---

The directors present their report and financial statements for the year ended 31 March 2012

#### **Principal activities and review of the business**

The principal activity of the company continued to be that of textile designing, sourcing, distributing and wholesaling

On 27 June 2011, the company changed its name from Dawson Home Group Limited to Brookmann Home Manchester 1877 Limited

On 28 May 2013, a Company Voluntary Arrangement with its outstanding creditors at that date was approved. Details of the arrangement can be found in note 20 to the accounts

#### **Business review**

During the prior period the Company changed its accounting reference date from 31 December to 31 March. Reported results are therefore for the twelve month period to 31 March 2012 with a comparative period of fifteen months to 31 March 2011.

Sales for the twelve month period to 31 March 2012 were £33.5 million compared to £38 million for the 15 month period to 31 March 2011. The operating loss for the 12 month period to 31 March 2012 was £1.4 million compared to £3.1 million for the 15 month period to 31 March 2011.

#### **Principal risks and uncertainties**

In common with all businesses, the company is exposed to various risks and uncertainties, which could have a material effect on future results. There are review processes in place which seek to identify these risks and mitigate them where possible. The principal risks identified and the actions taken to mitigate them are as follows:

#### **Business risks**

The company had a small number of large customers and the loss of some of these customers has impacted on sales since the balance sheet date. The company sources its products from a handful of high quality suppliers and the loss of any one would be disruptive and could cause short term delivery issues. Management work hard to maintain and enhance their relationships with customers and suppliers to ensure the continuity of these relationships and minimise the risk of the associated concentrations.

#### **Financial risks**

As part of its ordinary activities, the company is exposed to a number of financial risks, including foreign exchange, liquidity and credit risks.

- Most of the company's product is sourced in US Dollars and sold in Sterling, and as a result, exchange rate movements between these currencies can have a significant impact on the short term profitability of the company. The company seeks to manage this risk by entering into foreign currency forward exchange contracts.
- Liquidity risk relates to the company's ability to meet the cash flow requirements of its operations. The company's business can be seasonal and as a result is subject to certain working capital patterns. The company finances its business through its own resources and through an asset backed financing facility based on trade debtor levels.
- Credit risk relates principally to invoiced trade receivables from customers. All customers are assessed before trading commences and detailed policies and procedures are in place to monitor each situation.

# **BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2012**

---

### **Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 1.1 of the financial statements.

### **Fixed assets**

The changes which have taken place during the period are set out in note 8 to the financial statements.

### **Results and dividends**

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

The directors do not recommend payment of an ordinary dividend.

### **Directors**

The following directors have held office since 1 April 2011:

M T Mann	(Appointed 17 May 2011)
C S B Johnson	(Appointed 18 April 2012)
D G Cooper	(Resigned 17 May 2011)
Brookmann Holdings Limited	(Appointed 15 March 2012 and resigned 18 April 2012)
J K Carrie	(Resigned 17 May 2011)
J C Kemp	(Resigned 17 May 2011)

	£	£
During the year the company made the following payments:		
Charitable donations	2,200	2,000

# **BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2012**

---

### **Statement of directors' responsibilities**

The directors are responsible for preparing the 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 profit or loss of the company for that period. In preparing these financial statements, the directors are required to

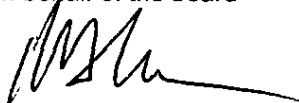
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

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

On behalf of the board



M T Mann

Director

24/6/13

# **BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)**

---

We have audited the financial statements of Brookmann Home Manchester 1877 Limited (formerly Dawson Home Group Limited) for the year ended 31 March 2012 set out on pages 6 to 18. 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).

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 auditors' 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

#### **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 Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Basis for disclaimer of opinion on financial statements**

The audit evidence available to us was limited because certain financial records required for the purposes of our audit were no longer available and we were unable to obtain third party confirmations and other documentary evidence required by us for the purposes of our audit. In addition, due to the change of ownership and consequential change of personnel, we were unable to obtain adequate explanations required.

Due to the significant lack of information available to us and limitations placed upon us, we have been unable to obtain sufficient appropriate audit evidence concerning numerous assets and liabilities of the Company at the year end.

A disclaimer of opinion was given in respect of the audit of the financial statements for the year ended 31 March 2011. Due to the limitations described above, audit evidence supporting the prior financial period was unavailable to us during the current audit and we were therefore unable to confirm whether the opening balances for the current financial period were materially correct.

In respect of the amount due from the holding company of £4,928,416 we are aware that the amount is now considered irrecoverable but have not been able to obtain sufficient audit evidence as to establish whether the amount was irrecoverable at the year end.

# **BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)**

---

#### **Disclaimer of opinion on financial statements**

Because of the significance of the possible effect of the matters described in the basis for disclaimer of opinion on financial statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial statements.

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

Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion the information given in 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**

In respect solely of the limitation on our work referred to above

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and
- adequate accounting records have not been kept

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

- 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



**David Symonds**  
**(Senior Statutory Auditor)**  
for and on behalf of

26/6/13

**UHY Hacker Young Manchester LLP**  
**Chartered Accountants**  
**Statutory Auditor**

St James Building  
79 Oxford Street  
Manchester  
M1 6HT



# **BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)**

## **PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 2012**

		<b>Year ended 31 March 2012 £</b>	<b>Period ended 31 March 2011 £</b>
	<b>Notes</b>		
<b>Turnover</b>	<b>2</b>	33,536,603	38,010,739
Cost of sales		(29,044,445)	(33,279,499)
<b>Gross profit</b>		4,492,158	4,731,240
Distribution costs		(2,235,187)	(2,768,697)
Administrative expenses		(3,616,442)	(5,055,178)
Other operating income		-	31,744
<b>Operating loss</b>	<b>3</b>	(1,359,471)	(3,060,891)
Fundamental reorganisation	<b>4</b>	1,183,951	(212,870)
<b>Loss on ordinary activities before interest</b>		(175,520)	(3,273,761)
Interest receivable	<b>5</b>	976	75
Interest payable	<b>6</b>	(163,659)	(139,969)
<b>Loss on ordinary activities before taxation</b>		(338,203)	(3,413,655)
Taxation	<b>7</b>	(15,004)	-
<b>Loss for the period</b>	<b>15</b>	(353,207)	(3,413,655)

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

There are no recognised gains and losses other than those passing through the profit and loss account

# BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)

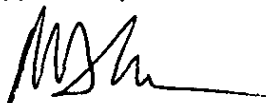
## BALANCE SHEET

AS AT 31 MARCH 2012

	Notes	2012 £	£	2011 £	£
<b>Fixed assets</b>					
Tangible assets	8		167,675		229,628
<b>Current assets</b>					
Stocks	9	2,042,266		7,659,211	
Debtors	10	8,745,932		8,821,936	
Cash at bank and in hand		12,727		33,388	
		10,800,925		16,514,535	
<b>Creditors, amounts falling due within one year</b>	11	(6,820,092)		(12,157,007)	
<b>Net current assets</b>			3,980,833		4,357,528
<b>Total assets less current liabilities</b>			4,148,508		4,587,156
<b>Provisions for liabilities</b>	12		(646,960)		(732,401)
			3,501,548		3,854,755
<b>Capital and reserves</b>					
Called up share capital	14	33,765,961		33,765,961	
Other reserves	15	746,000		746,000	
Profit and loss account	15	(31,010,413)		(30,657,206)	
<b>Shareholders' funds</b>	16		3,501,548		3,854,755

Approved by the Board and authorised for issue on

24.06.13



M T Mann  
Director

Company Registration No 00011136

**BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY  
DAWSON HOME GROUP LIMITED)**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 MARCH 2012**

	Year ended 31 March 2012 £	Period ended 31 March 2011 £
<b>Net cash inflow/(outflow) from operating activities</b>	4,885,189	(2,364,147)
<b>Returns on investments and servicing of finance</b>		
Interest received	976	75
Interest paid	(163,659)	(139,969)
<b>Net cash outflow for returns on investments and servicing of finance</b>	(162,683)	(139,894)
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(33,943)	(81,074)
<b>Net cash outflow for capital expenditure</b>	(33,943)	(81,074)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>	4,688,563	(2,585,115)
<b>Increase/(decrease) in cash in the year</b>	4,688,563	(2,585,115)

# **BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)**

## **NOTES TO THE CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 MARCH 2012**

1	Reconciliation of operating loss to net cash inflow/(outflow) from operating activities		2012	2011
			£	£
	Operating loss		(1,359,471)	(3,060,891)
	Depreciation of tangible assets		95,896	143,278
	Loss on disposal of tangible assets		-	8,734
	Decrease/(increase) in stocks		5,616,945	(574,197)
	Decrease in debtors		61,000	1,379,503
	(Decrease) in creditors within one year		594,226	(166,782)
	Cash flow in relation to redundancy reorganisation costs		(37,966)	(212,870)
	Movement in provisions		(85,441)	119,078
	Net cash inflow/(outflow) from operating activities		4,885,189	(2,364,147)

2	Analysis of net debt	1 April 2011	Cash flow	Other non-cash changes	31 March 2012
		£	£	£	£
	Net cash				
	Cash at bank and in hand	33,388	(20,661)	-	12,727
	Bank overdrafts	(7,573,488)	4,709,224	-	(2,864,264)
	Net debt	(7,540,100)	4,688,563	-	(2,851,537)

3	Reconciliation of net cash flow to movement in net debt	2012	2011
		£	£
	Increase/(decrease) in cash in the year	4,688,563	(2,585,115)
	Movement in net debt in the year	4,688,563	(2,585,115)
	Opening net debt	(7,540,100)	(4,954,985)
	Closing net debt	(2,851,537)	(7,540,100)

# **BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2012**

---

### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

The directors have reviewed the company's financial position and financial forecasts for a period of 12 months from the date of signing these financial statements. These forecasts have been based on a comprehensive review of revenue, expenditure and cashflows, taking into account the specific business risks outlined in the business review on page 1 and the uncertainties brought about by the current economic environment.

On the 28 May 2013, a Company Voluntary Arrangement with its outstanding creditors at that date were approved. Details of the arrangement can be found in note 20. Following the CVA, the company entered into a revised invoice financing facility with Aldermore Invoice Financing, allowing a maximum drawdown of 80% of sales ledger value. Following the arrangement, the directors anticipate reduced turnover as a result of focusing primarily upon design and sourcing, and by continuing to trade only with those customers with whom they can achieve higher margins. Customers will purchase stock directly from suppliers, resulting in reduced working capital requirements. A reduction in staff numbers will result in further cost savings. Taking the proposed changes into consideration, the directors consider the company to be a going concern.

If the company was unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values to their recoverable amount and to provide for future liabilities that may arise and to reclassify fixed assets as current assets. However, the directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### **1.3 Turnover**

Turnover represents amounts receivable for goods and services net of VAT, returns and trade discounts. Turnover is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable and the amount of revenue can be estimated reliably.

#### **1.4 Research and development**

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

#### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	10 - 25% Straight line
Fixtures, fittings & equipment	10 5% - 20% Straight line

# BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

### 1 Accounting policies

(continued)

#### 1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

#### 1.7 Stock

Stock is valued at the lower of cost and net realisable value. Stock valuation is based on the current contract price as agreed with the supplier.

#### 1.8 Pensions

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

#### 1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is only included to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### 1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 1.11 Comparative period

The comparative period relates to the 15 months ended 31 March 2011.

### 2 Turnover

#### Geographical market

	Turnover	
	2012	2011
	£	£
United Kingdom	33,199,678	37,357,306
USA	26,217	30,172
Europe	310,708	559,638
Africa, Asia and Australia	-	63,623
	<u>33,536,603</u>	<u>38,010,739</u>

# **BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2012**

<b>3</b>	<b>Operating loss</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Operating loss is stated after charging		
	Depreciation of tangible assets	95,896	143,278
	Loss on disposal of tangible assets	-	8,734
	Loss on foreign exchange transactions	1,089	5,774
	Research and development	3,966	12,488
	Operating lease rentals		
	- Plant and machinery	7,103	21,097
	- Other assets	332,711	449,444

### **Auditors' remuneration**

Fees payable to the company's auditor for the audit of the company's annual accounts  
Corporation tax, accountancy and other services

31,300	39,225
9,808	20,559
<b>41,108</b>	<b>59,784</b>

<b>4</b>	<b>Fundamental re-organisation</b>	<b>Year ended</b>	<b>Period ended</b>
		<b>31 March</b>	<b>31 March</b>
		<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Group indebtedness waived	1,368,827	-
	Onerous contracts	13,599	(84,025)
	Redundancy costs	(198,475)	(128,845)
		<b>1,183,951</b>	<b>(212,870)</b>

As a result of a change of ownership in May 2011, the company benefitted from a waiver of indebtedness by companies in its former group

<b>5</b>	<b>Interest receivable</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Bank interest	976	75
		<b>976</b>	<b>75</b>

# **BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2012**

<b>6</b>	<b>Interest payable</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	<u>163,659</u>	<u>139,969</u>
<b>7</b>	<b>Taxation</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	<b>Total current tax</b>	-	-
	<b>Deferred tax</b>		
	Deferred tax adjustment re previous year	<u>15,004</u>	<u>-</u>
	<b>Factors affecting the tax charge for the period</b>		
	Loss on ordinary activities before taxation	<u>(338,203)</u>	<u>(3,413,655)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2011 - 28.00%)	<u>(87,933)</u>	<u>(955,823)</u>
	Effects of		
	Non deductible expenses	3,039	19,811
	Capital allowances in excess of depreciation	24,933	42,563
	Adjustments to previous periods	-	(83,451)
	Utilisation of tax losses	<u>59,961</u>	<u>976,900</u>
		<u>87,933</u>	<u>955,823</u>
	<b>Current tax charge for the period</b>	<u>-</u>	<u>-</u>

The company has estimated losses of £ 19,691,923 (2011 - £ 19,461,303) available for carry forward against future trading profits



# **BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2012**

### **8 Tangible fixed assets**

	<b>Plant and machinery</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 April 2011	1,631,202	121,170	1,752,372
Additions	-	33,943	33,943
	<u>1,631,202</u>	<u>155,113</u>	<u>1,786,315</u>
At 31 March 2012	1,631,202	155,113	1,786,315
<b>Depreciation</b>			
At 1 April 2011	1,480,225	42,519	1,522,744
Charge for the year	82,515	13,381	95,896
	<u>1,562,740</u>	<u>55,900</u>	<u>1,618,640</u>
At 31 March 2012	1,562,740	55,900	1,618,640
<b>Net book value</b>			
At 31 March 2012	<u>68,462</u>	<u>99,213</u>	<u>167,675</u>
At 31 March 2011	<u>150,977</u>	<u>78,651</u>	<u>229,628</u>

### **9 Stocks**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	<u>2,042,266</u>	<u>7,659,211</u>

# BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2012

10 Debtors	2012 £	2011 £
Trade debtors	3,555,587	2,863,190
Amounts owed by parent company	4,928,416	5,441,490
Corporation tax	-	15,004
Other debtors	6,376	237,556
Prepayments and accrued income	255,553	264,696
	<u>8,745,932</u>	<u>8,821,936</u>

The recoverability of the balance due from the holding company of £4,928,416 is dependent on the future profitability of the company. At 31 March 2012, the directors considered the balance to be recoverable. Since the year end, the company entered into a Company Voluntary Arrangement following a significant downturn in operating performance and the amount has subsequently been provided against in full.

11 Creditors, amounts falling due within one year	2012 £	2011 £
Bank loans and overdrafts	2,864,264	7,573,488
Trade creditors	3,415,185	4,200,175
Amounts owed to former parent	-	5,308
Amounts owed to subsidiary undertakings	-	211,950
Taxes and social security costs	254,799	68,411
Other creditors	7,858	7,247
Accruals and deferred income	277,986	90,428
	<u>6,820,092</u>	<u>12,157,007</u>

Bank loans and overdrafts are secured by an all assets debenture.

## 12 Provisions for liabilities

	Other £
Balance at 1 April 2011	732,401
Profit and loss account	(85,441)
Balance at 31 March 2012	<u>646,960</u>

Included in provisions for liabilities are amounts totalling £646,960 in relation to onerous contracts whereby the company has committed to purchase and sell stock as at 31 March 2012. The amounts provided for relate to the expected losses from the sale of stock at below cost.

# **BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2012**

#### **13 Pension and other post-retirement benefit commitments**

##### **Defined contribution**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the scheme.

	2012 £	2011 £
Contributions payable by the company for the year	61,202	96,120

#### **14 Share capital**

	2012 £	2011 £
<b>Allotted, called up and fully paid</b>		
33,765,961 Ordinary shares of £1 each	33,765,961	33,765,961

#### **15 Statement of movements on reserves**

	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2011	746,000	(30,657,206)
Loss for the period	-	(353,207)
Balance at 31 March 2012	746,000	(31,010,413)

##### **Other reserves**

##### **Capital redemption reserve**

Balance at 1 April 2011 & at 31 March 2012	746,000
--	---------

#### **16 Reconciliation of movements in shareholders' funds**

	2012 £	2011 £
Loss for the financial period	(353,207)	(3,413,655)
Opening shareholders' funds	3,854,755	7,268,410
Closing shareholders' funds	3,501,548	3,854,755

# **BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2012**

#### **17 Financial commitments**

At 31 March 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2013

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating leases which expire				
Within one year	-	-	1,632	3,231
Between two and five years	-	-	11,193	8,991
In over five years	311,100	311,100	-	-
	<u>311,100</u>	<u>311,100</u>	<u>12,825</u>	<u>12,222</u>

The property lease was due to expire on 14 August 2017

#### **18 Employees**

##### **Number of employees**

The average monthly number of employees (including directors) during the period was

	<b>2012</b>	<b>2011</b>
	<b>Number</b>	<b>Number</b>
Distribution	29	65
Administration	22	19
	<u>51</u>	<u>84</u>

##### **Employment costs**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,698,005	2,714,644
Social security costs	178,815	265,557
Other pension costs	61,202	96,120
	<u>1,938,022</u>	<u>3,076,321</u>

# **BROOKMANN HOME MANCHESTER 1877 LIMITED (FORMERLY DAWSON HOME GROUP LIMITED)**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2012**

---

### **19 Control**

Until 17 May 2011, the ultimate parent company with a controlling interest was Dawson International plc, a company incorporated in Scotland. The largest group in which the results of the company were consolidated was that headed by Dawson International plc. The consolidated financial statements for Dawson International Plc can be obtained from its registered office at Burnfoot Industrial Estate, Hawick TD9 8RJ, Scotland.

On 17 May 2011 the entire share capital of the company was acquired by Brookmann Home Limited, now the immediate parent company. The ultimate parent company is Brookmann Holdings Limited, a company incorporated in Hong Kong, and the results of the company were consolidated into their accounts. The ultimate controlling parties are Myron Mann and Sally Johnson by virtue of their shareholding in the ultimate parent company.

### **20 Post balance sheet events**

On 28 May 2013, a Company Voluntary Arrangement with its outstanding creditors at that date was approved. As a result of the arrangement, the company agreed to make quarterly payments totalling £425,000 over a 5 year period to satisfy debts owed. Additionally, the company agreed to make an immediate payment of £150,000, and quarterly payments over a 5 year period totalling £600,000 to Aldermore Invoice Finance to satisfy debts owing in relation to amounts outstanding under a superseded invoice financing facility.

### **21 Related party relationships and transactions**

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or the immediate parent company.