

Financial Statements
for the Year Ended
31 October 2019
for
W Brewin and Company Limited



The Rowleys Partnership Ltd
Statutory Auditors
Chartered Accountants
Charnwood House
Harcourt Way
Meridian Business Park
Leicester
Leicestershire
LE19 1WP

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for the Year Ended 31 October 2019**

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W Brewin and Company Limited

**Company Information
for the Year Ended 31 October 2019**

DIRECTORS:

A C Bexon
P J Brewin
Ms P L Brewin
M C Brewin
Ms M R Brewin
J M Kendall
E P Spence
Ms T C Tilly

SECRETARY:

E P Spence

REGISTERED OFFICE:

145 Parker Drive
Leicester
LE4 0JP

REGISTERED NUMBER:

00259857 (England and Wales)

AUDITORS:

The Rowleys Partnership Ltd
Statutory Auditors
Chartered Accountants
Charnwood House
Harcourt Way
Meridian Business Park
Leicester
Leicestershire
LE19 1WP

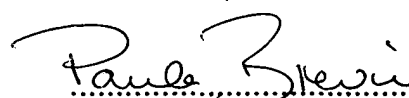
Balance Sheet
31 October 2019

	Notes	31.10.19 £	31.10.18 £
FIXED ASSETS			
Tangible assets	4	963,000	928,763
Investments	5	13,000	13,000
		<u>976,000</u>	<u>941,763</u>
CURRENT ASSETS			
Stocks	6	629,488	643,035
Debtors	7	835,698	916,420
Cash at bank		2,276,223	2,170,583
		<u>3,741,409</u>	<u>3,730,038</u>
CREDITORS			
Amounts falling due within one year	8	399,119	453,965
NET CURRENT ASSETS		<u>3,342,290</u>	<u>3,276,073</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,318,290</u>	<u>4,217,836</u>
PENSION LIABILITY	11	<u>(1,677,000)</u>	<u>(1,313,000)</u>
NET ASSETS		<u><u>2,641,290</u></u>	<u><u>2,904,836</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	106,260	106,260
Share premium		1,501	1,501
Retained earnings		2,533,529	2,797,075
SHAREHOLDERS' FUNDS		<u><u>2,641,290</u></u>	<u><u>2,904,836</u></u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 30/10/20 and were signed on its behalf by:


Ms P L Brewin - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 October 2019**

1. STATUTORY INFORMATION

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

The principal activity of the Company is the manufacture, import and merchanting of hosiery products.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is reliably measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following criteria are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably,
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant, machinery & motor vehicles	- 10% on cost
Fixtures and fittings	- 10% on cost
Computer equipment	- 20% on cost

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

2. **ACCOUNTING POLICIES - continued**

Deferred tax

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

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

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependant upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets at the Balance Sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

2. ACCOUNTING POLICIES - continued

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 43 (2018 - 43).

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

4. TANGIBLE FIXED ASSETS

	Freehold property £	Plant, machinery & motor vehicles £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 November 2018	1,132,320	1,191,104	231,068	103,277	2,657,769
Additions	-	85,966	6,209	17,813	109,988
Disposals	-	(53,317)	-	(23,705)	(77,022)
At 31 October 2019	1,132,320	1,223,753	237,277	97,385	2,690,735
DEPRECIATION					
At 1 November 2018	287,928	1,135,561	209,372	96,145	1,729,006
Charge for year	18,456	30,791	3,377	6,305	58,929
Eliminated on disposal	-	(36,580)	-	(23,620)	(60,200)
At 31 October 2019	306,384	1,129,772	212,749	78,830	1,727,735
NET BOOK VALUE					
At 31 October 2019	825,936	93,981	24,528	18,555	963,000
At 31 October 2018	844,392	55,543	21,696	7,132	928,763

5. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 November 2018 and 31 October 2019	13,000
NET BOOK VALUE	
At 31 October 2019	13,000
At 31 October 2018	13,000

The Company holds 28% of the ordinary share capital of Povoas Packaging Limited, a company incorporated in England. The principal activity is the manufacture of packaging materials.

The aggregate of the share capital and reserves of that company as at 31 October 2019 was £14,567,000 and its profit for the year ended on that date was £2,053,000.

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

6. STOCKS

	31.10.19	31.10.18
	£	£
Raw materials and consumables	184,270	119,930
Work-in-progress	50,177	46,353
Finished goods	395,041	476,752
	<u>629,488</u>	<u>643,035</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.10.19	31.10.18
	£	£
Trade debtors	505,327	649,358
Amounts owed by participating interests	2,499	211
Other debtors	1,498	8,530
Deferred tax asset	285,090	223,210
Prepayments and accrued income	41,284	35,111
	<u>835,698</u>	<u>916,420</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.10.19	31.10.18
	£	£
Trade creditors	253,846	201,108
Corporation tax	3,976	2,415
Social security and other taxes	18,456	16,381
VAT	63,310	90,375
Other creditors	19,424	90,410
Accruals and deferred income	40,107	53,276
	<u>399,119</u>	<u>453,965</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.10.19	31.10.18
Number:	Class:	Nominal value:	£	£
97,132	Ordinary	£1	97,132	97,132
4,564	A Ordinary	£1	4,564	4,564
4,564	B Ordinary	£1	4,564	4,564
			<u>106,260</u>	<u>106,260</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

10. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Thomas Copson (Senior Statutory Auditor)
for and on behalf of The Rowleys Partnership Ltd

11. EMPLOYEE BENEFIT OBLIGATIONS

The Company operates a defined contributions 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 fund and amounted to £95,118 in the year ended 31 October 2019 (2018: £93,810).

The Company operates a Defined Benefit Pension Scheme.

The pension cost and provision for the year ended 31 October 2019 relating to the Company are based on the advice of a professionally qualified actuary. The most recent formal valuation is dated 11 May 2017, which has been updated to 31 October 2019.

The contribution made for the year ended 31 October 2019 was £13,300. With effect from 12 May 2018 the scheme closed to future service accrual and a contribution plan is in place to clear the deficit over 20 years. The future expected contributions for both W Brewin and Company Limited and Povoas Packaging Limited are £20,004 per annum under the contribution plan.

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	31.10.19	31.10.18
	£	£
Current service cost	-	27,000
Net interest from net defined benefit asset/liability	89,000	31,000
Past service cost	-	154,000
	<u>89,000</u>	<u>212,000</u>
Actual return on plan assets	<u>146,700</u>	<u>(159,000)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

11. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.10.19 £	31.10.18 £
Opening defined benefit obligation	3,169,000	3,135,000
Current service cost	-	30,000
Past service cost	-	154,000
Interest cost	89,000	81,000
Benefits paid	(57,000)	(56,000)
Actuarial (gains)/losses from changes in financial assumptions	487,000	(175,000)
	<u>3,688,000</u>	<u>3,169,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.10.19 £	31.10.18 £
Opening fair value of scheme assets	1,856,000	1,983,000
Interest income	52,000	50,000
Contributions by employer	13,300	35,000
Actuarial gains/(losses)	146,700	(159,000)
Benefits paid	(57,000)	(56,000)
Current service cost	-	3,000
	<u>2,011,000</u>	<u>1,856,000</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	31.10.19 £	31.10.18 £
Actuarial (gains)/losses from changes in financial assumptions	(487,000)	175,000
	<u>(487,000)</u>	<u>175,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

11. EMPLOYEE BENEFIT OBLIGATIONS - continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.10.19	31.10.18
	£	£
Cash	1,640	3,000
Investment funds	2,009,360	1,853,000
	<u>2,011,000</u>	<u>1,856,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31.10.19	31.10.18
Discount rate	1.95%	2.80%
Future increases in price inflation	2.90%	3.20%
Pension increases in payment	2.85%	3.10%
Pension increases in deferment	2.10%	2.20%
Mortality rates	2019	2018
- for a male currently aged 65	22.2	22.1
- for a female currently aged 65	24.2	24.2
- for a male currently aged 45	23.6	23.5
- for a female currently aged 45	25.7	25.7

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

12. RELATED PARTY DISCLOSURES

Remuneration in respect of key management personnel including contributions to defined contribution pension schemes totalled £171,882 (2018 - £299,628).

The following directors were paid dividends during the year as outlined in the table below:

	2019 £	2018 £
P L Brewin	25,105	32,957
M R Brewin	1	1
M C Brewin	56,483	42,736
P J Brewin	58,997	50,416
J M Kendall	1,941	2,548
A C Bexon	1,328	1,743
T C Tilly	1,328	1,743
	<u>145,183</u>	<u>132,144</u>

In addition to the above, dividends were also paid to directors as follows:

M R and M C Brewin (as Trustees) - £4,366 (2018 - £11,462)

M R Brewin (as a Trustee for C D Brewin Will Trust) - £25,105 (2018 - £32,958)

Other Transactions

The Company holds an investment in Povoas Packaging Limited (see Note 5). During the year the Company received dividends from Povoas Packaging Limited amounting to £118,690 (2018 - £118,690). The Company made sales/recharges of services amounting to £15,396 (2018 - £16,491) to Povoas Packaging Limited and made purchases from Povoas Packaging Limited of £2,682 (2018 - £3,184). Amounts due from Povoas Packaging Limited at the balance sheet date totalled £2,499 (2018 - £517) and amounts payable to Povoas Packaging Limited totalled £nil (2018 - £306). No amounts were written off in the period under review.