

Brett Landscaping Limited
Report and accounts
for the year ended 31 December 2012

Registered Number 00342312



Brett Landscaping Limited

Directors

W J Brett
J Gilbert
A H Smith

Auditors

Moore Stephens LLP
Chartered Accountants

Secretary

J Gilbert

Registered Office

150 Aldersgate Street
London EC1A 4AB

Company Registered Number 00342312

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Brett Landscaping Limited

Company Registered Number 00342312

Directors' report

The directors present their report together with the audited financial statements of the company for the year ended December 31, 2012

Activities and review of developments

The principal activities of the company continued to be the supply of materials to the construction industry

Results and dividend

The loss for the financial year before taxation amounted to £4,684,000 (2011 – £4,836,000) and this amount less taxation is to be transferred to reserves. The directors do not recommend the payment of a dividend for the year (2011 – £nil)

Directors

The current directors of the company are set out on page 1. AH Smith was appointed as a director on March 1, 2012

Employees

The company continues to recognise the importance of enabling each employee to give their best and providing equal opportunity to all

Employees are kept informed about the company through newsletters, communication forums and regular meetings with management which allow a free flow of information and ideas

Principal risk and uncertainties

The principal financial and other risks and uncertainties facing the company are described in note 19

Auditors


An elective resolution was passed at the Annual General Meeting on August 31, 2001 dispensing with the holding of annual general meetings in 2002 and subsequent years, the laying of accounts and reports thereat for the current financial year and all subsequent financial years, and the annual appointment of auditors

Disclosure of information to auditors

Each of the persons who are directors at the time when this report is approved confirms that

- (a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) each director has taken all the steps that ought to have been taken as a director, including making appropriate enquiries of fellow directors and of the company's auditors for that purpose, in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

By order of the Board


J Gilbert
Secretary
September 11, 2013

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 Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

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

Brett Landscaping Limited

Independent auditors' report to the members of Brett Landscaping Limited

We have audited the financial statements of Brett Landscaping Limited for the year ended 31 December 2012 which are set out on pages 4 to 12. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss 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 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Paul Clark, *Senior Statutory Auditor*
For and on behalf of Moore Stephens LLP, *Statutory Auditor*
September 11, 2013

150 Aldersgate Street
London
EC1A 4AB

Brett Landscaping Limited

Profit and loss account

for the year ended December 31, 2012

	Note	2012 £000	2011 £000
Turnover	1	43,656	49,535
Costs and overheads	2	(47,966)	(54,146)
Operating loss	3	(4,310)	(4,611)
Other interest receivable and similar income	5	824	804
Interest payable and similar charges	6	(1,198)	(1,029)
Loss on ordinary activities before taxation		(4,684)	(4,836)
Taxation on loss on ordinary activities	7	1,232	972
Retained loss for the financial year	13	(3,452)	(3,864)

The loss for the year is wholly attributable to the continuing operations of the company

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents

Statement of Total Recognised Gains and Losses

for the year ended December 31, 2012

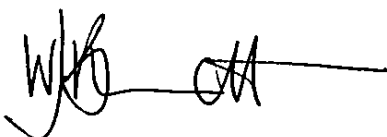
	2012 £000	2011 £000
Loss for the financial year	(3,452)	(3,864)
Unrealised surplus on property revaluation	613	-
Total losses relating to the year	(2,839)	(3,864)

Brett Landscaping Limited

Balance Sheet December 31, 2012

	Note	2012 £000	2011 £000
Fixed assets			
Tangible assets	8	17,141	16,955
Current assets			
Stocks	9	6,385	7,024
Debtors, amounts falling due after more than one year	10	22,140	21,600
Debtors, amounts falling due within one year	10	6,110	6,194
Cash at bank and in hand		4	107
		34,639	34,925
Creditors, amounts falling due within one year	11	(13,921)	(6,162)
Net current assets		20,718	28,763
Total assets less current liabilities		37,859	45,718
Creditors, amounts falling due after more than one year	11	(27,308)	(32,328)
		10,551	13,390
Capital and reserves			
Called up share capital	12	14,000	14,000
Revaluation reserve	13	1,325	712
Profit and loss account	13	(4,774)	(1,322)
Shareholders' funds	14	10,551	13,390

Approved by the Board of Directors on September 11, 2013



W J Brett
Director

Brett Landscaping Limited

Notes to the accounts

1) Accounting policies

Basis of preparation

The accounts are prepared under the historical cost convention, adjusted for the revaluation of UK land and buildings and in accordance with applicable UK accounting standards

Cash flow statement

The company is exempt from producing a cash flow statement as required by Financial Reporting Standard No 1 "Cash Flow Statements" (Revised), on the grounds that it is a wholly owned subsidiary of a parent undertaking which publishes consolidated financial statements and meets the other conditions set out in paragraph 5 of FRS 1

Related party disclosures

The company is exempt under paragraph 3(c) of Financial Reporting Standard No 8 "Related Party Disclosures" from disclosing transactions and balances with companies within the same group as it is a wholly owned subsidiary of a group which publishes consolidated financial statements

Tangible fixed assets

No depreciation is provided on freehold land. All other tangible fixed assets are depreciated on a straight-line basis to write off their cost or valuation, less estimated residual values, over their estimated useful lives

The depreciation rates principally applied are as follows

Buildings		4%
Long leasehold property	}	over the period
Short leasehold property	}	of the lease
Plant, machinery and vehicles		5-30%

Operating leases

Operating lease costs of leased assets are charged to the profit and loss account as they are incurred

Stocks

Stocks are valued at the lower of cost and net realisable value

Deferred taxation

Deferred taxation is provided in respect of all timing differences that have originated but not reversed at the balance sheet date using the tax rates expected to apply in the period in which timing differences reverse based on current rates and laws

Deferred taxation balances have not been discounted to present value. No liability has been recognised in respect of revaluation gains on land and buildings unless there is a binding agreement to sell them at the balance sheet date

Turnover

Turnover represents the net amounts receivable in respect of goods and services supplied to third parties net of value added tax

Pensions

The expected cost to the company of providing pensions in respect of defined benefit pension schemes is charged to the profit and loss account so as to spread the cost of pensions over the average expected service lives of employees in the schemes. Contributions to the group defined contribution schemes are charged against profits as incurred

Brett Landscaping Limited

Notes to the accounts (continued)

2) Costs and overheads

	2012 £000	2011 £000
Changes in stock	639	1,444
(Profit) on disposal of fixed assets	(735)	(1)
Raw materials and consumables	16,392	18,018
Employment costs (note 4)	8,539	9,281
Depreciation and other amounts written off fixed assets	1,920	1,970
Other operating charges	21,211	23,434
	<u>47,966</u>	<u>54,146</u>

3) Operating loss

	2012 £000	2011 £000
Operating loss is stated after charging		
Plant and machinery operating lease rentals	202	330
Auditors' remuneration – audit services	33	37

4) Directors and employees

	2012 £000	2011 £000
a) Employment costs		
Wages and salaries	7,423	8,201
Social security costs	730	758
Other pension costs	386	322
	<u>8,539</u>	<u>9,281</u>
b) Directors' emoluments		
Staff costs include the following emoluments in respect of directors of the company		
Amounts paid in respect of other qualifying services	113	161
Other pension costs	12	13
	<u>125</u>	<u>174</u>

Retirement benefits are provided to the following number of directors under

	Number of directors	
	2012	2011
Defined contribution schemes	<u>1</u>	<u>1</u>

c) Average number of persons employed by the company during the year

	2012 Number	2011 Number
Production	137	141
Administration	91	93
	<u>228</u>	<u>234</u>

5) Other interest receivable and similar income

	2012 £000	2011 £000
On inter company loans	<u>824</u>	<u>804</u>

6) Interest payable and similar charges

	2012 £000	2011 £000
On bank loans	170	-
On inter company loans	1,028	1,029
	<u>1,198</u>	<u>1,029</u>

Brett Landscaping Limited

Notes to the accounts (continued)

7) Taxation

	2012 £000	2011 £000
a) Tax on loss on ordinary activities		
Current tax		
UK corporation tax	(845)	(767)
Adjustments in respect of prior years	(370)	(252)
Total current tax	<u>(1,215)</u>	<u>(1,019)</u>
Deferred tax		
Origination and reversal of timing differences	(369)	4
Change in the standard rate of corporation tax	17	-
Adjustments in respect of prior years	335	43
Total deferred tax	<u>(17)</u>	<u>47</u>
Tax on loss on ordinary activities	<u>(1,232)</u>	<u>(972)</u>

b) Factors affecting the tax charge for the year

The standard rate of UK corporation tax for the year is 24.5% (2011 – 26.5%) The actual tax charge calculated for both the current and prior year is different from the standard rate for the reasons set out below

	2012 £000	2011 £000
Taxation on loss on ordinary activities at standard UK corporation tax rate	(1,148)	(1,281)
Variation between capital allowances and depreciation	337	404
Other timing differences	57	13
Expenses not deductible for taxation purposes	89	97
Adjustments in respect of previous years	(370)	(252)
Chargeable gain	(180)	-
Effective current taxation charge on loss on ordinary activities before taxation	<u>(1,215)</u>	<u>(1,019)</u>

8) Tangible fixed assets

	Freehold land and buildings £000	Short leasehold property £000	Plant, Machinery Vehicles and equipment £000	Total £000
Cost or valuation				
At January 1, 2012	10,215	3,430	19,115	32,760
Transfers from group companies	350	-	5	355
Additions	-	76	1,408	1,484
Disposals	(350)	-	-	(350)
Revaluation	(701)	(1,774)	-	(2,475)
At December 31, 2012	<u>9,514</u>	<u>1,732</u>	<u>20,528</u>	<u>31,774</u>
Depreciation				
At January 1, 2012	1,006	1,804	12,995	15,805
Transfers from group companies	-	-	5	5
Charge for year	111	190	1,633	1,934
Revaluation	(1,117)	(1,994)	-	(3,111)
At December 31, 2012	<u>-</u>	<u>-</u>	<u>14,633</u>	<u>14,633</u>
Net book value				
At January 1, 2012	9,209	1,626	6,120	16,955
At December 31, 2012	<u>9,514</u>	<u>1,732</u>	<u>5,895</u>	<u>17,141</u>

In accordance with FRS 15, "Tangible Fixed Assets" a full valuation was undertaken of the company's land and buildings with properties being valued on either an existing use or open market value basis as at December 31, 2012 by Matthews and Son, Chartered Surveyors

Brett Landscaping Limited

Notes to the accounts (continued)

8) Tangible fixed assets (continued)

	2012 £000	2011 £000
a) Cost or valuation on land and buildings comprises		
Cost	-	162
Valuation - 2012	11,246	13,483
	<u>11,246</u>	<u>13,645</u>

	2012 £000	2011 £000
b) If land and buildings had not been revalued they would be carried in the balance sheet at		
Cost	14,375	14,438
Accumulated depreciation	(4,454)	(4,315)
	<u>9,921</u>	<u>10,123</u>

9) Stocks

	2012 £000	2011 £000
Raw materials and consumables	1,195	1,424
Work in progress	229	176
Finished goods	4,961	5,424
	<u>6,385</u>	<u>7,024</u>

10) Debtors

	2012 £000	2011 £000
Due within one year		
Trade debtors	4,181	5,442
Amounts owed by fellow subsidiary companies	28	1
Amounts owed by ultimate parent company	1,085	-
Other debtors	-	7
Deferred tax asset	559	542
Prepayments and accrued income	257	202
	<u>6,110</u>	<u>6,194</u>
Due after more than one year		
Amounts owed by fellow subsidiary companies	22,140	21,600
	<u>22,140</u>	<u>21,600</u>

The deferred tax balance arises from timing differences relating to capital allowances of £559,000 (2011 – £542,000). A deferred tax asset of £1,018,000 (2011 - £1,106,000) relating to losses and other timing differences has not been recognised. A deferred tax liability of £318,000 (2011 - £185,000) relating to the revaluation of land & buildings has not been recognised.

Brett Landscaping Limited

Notes to the accounts (continued)

11) Creditors

	2012 £000	2011 £000
Due within one year		
Bank facilities	6,654	-
Trade creditors	3,722	3,541
Amounts owed to ultimate holding company	647	123
Amounts owed to fellow subsidiary companies	965	688
Other taxation and social security	620	587
Other creditors	218	87
Accruals and deferred income	1,095	1,136
	13,921	6,162
Due after more than one year		
Amounts owed to ultimate holding company	10,868	16,888
Amounts owed to fellow subsidiary companies	16,440	15,440
	27,308	32,328

Since the year-end the Company has negotiated the extension of its existing committed banking facilities until December 31, 2015

The bank facilities bore interest at rates which fluctuate in line with market rates and at the year end were between 3.27% and 3.52% per annum

Security

The group's bankers hold a fixed and floating charge over all the assets of the company, its ultimate holding company and fellow subsidiary companies together with cross guarantees between group companies in respect of the group facilities

12) Called up share capital

	Authorised		Allotted called up and fully paid	
	Number	£000	Number	£000
Ordinary shares of £1 each				
At January 1 and December 31, 2012	14,000,000	14,000	14,000,000	14,000

All shares rank equally in respect of shareholder rights

13) Reserves

	Revaluation reserve	Profit and loss account
	£000	£000
At January 1, 2012	712	(1,322)
Surplus on revaluation	613	-
Loss for the financial year	-	(3,452)
At December 31, 2012	1,325	(4,774)

14) Reconciliation of movements in shareholders' funds

	2012 £000	2011 £000
Opening shareholders' funds at January 1	13,390	17,254
Surplus on revaluation	613	-
Loss for the financial year	(3,452)	(3,864)
Closing shareholders' funds at December 31	10,551	13,390

Brett Landscaping Limited

Notes to the accounts (continued)

15) Other financial commitments

Annual commitments under non-cancellable operating leases are as follows

	2012		2011	
	Land & buildings £000	Other £000	Land & buildings £000	Other £000
expiring in less than one year	-	9	-	3
expiring between two and five years	-	423	-	180
expiring after more than five years	280	8	250	-
	280	440	250	183

16) Contingent liabilities

The company, its ultimate holding company and fellow subsidiary companies using the same banker have agreed an omnibus letter of set-off providing that the bank has the right at any time and without notice to consolidate all or any of the bank accounts with all or any of the companies liabilities to the bank

Under a composite guarantee the company has guaranteed the borrowing of certain other group companies from its bankers At December 31, 2012 the sum guaranteed was £5.8m (2011 - £11.9m)

The company has a contingent liability to meet extraordinary calls by the Quarry Products Association Sand and Gravel Restoration Guarantee fund should such a claim be made on the fund No such claim had been notified at the balance sheet date

17) Pension schemes

In addition to defined contribution schemes, the total costs of which were £279,000 (2011 - £289,000) the company's eligible employees are members of a funded pension scheme operating within the Brett Group which provides benefits based on final pensionable salary The assets of the scheme are held separately from those of the company in a trustee administered fund

The group scheme is run on a basis that does not enable individual companies within the group to identify their share of the underlying assets and liabilities Particulars of the valuation are contained in the accounts of the ultimate holding company, Robert Brett & Sons Limited

The scheme was closed to all new employees with effect from April 1, 2006 and to future service accrual from December 31, 2008

18) Ultimate holding company

In the opinion of the directors, the ultimate holding company as at December 31, 2012 was Robert Brett & Sons Limited, a company incorporated in Great Britain Copies of the group accounts can be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ

19) Principal risk and uncertainties

The principal risks and uncertainties facing the company are described below

Economic conditions

Demand for our products and services is closely linked to the general economic conditions in the regions in which we operate Depressed economic conditions and any reduction in Government investment could result in reduced sales and profits

Competitor activity

A failure to compete with competitors on price, product range, quality and service could have an adverse effect on the company's financial results In addition a portion of the company's business is secured through tendering for major contracts, where in times of reduced demand, bidding for profitable contracts becomes increasingly competitive

Legislative risks

Failure to comply with existing legislation could materially affect the company's ability to operate In addition, changes in government policy or legislation relating to planning and the environment could affect operating costs and our ability to develop sand and gravel reserves

Brett Landscaping Limited

Notes to the accounts (continued)

19) Principal risk and uncertainties

Weather risks

Periods of inclement weather may reduce the demand for our products and our ability to operate reducing sales, margins and profits

Raw material prices

Any significant increase in raw material and utility prices could adversely affect the company's performance to the extent they are not recovered through price increases

Financial risks

The company requires continued access to funding in order to meet its obligations and to support the growth of its businesses. Uncertainty in the financial markets means that there is potential risk and the company may be unable to obtain additional funds when needed or may be able to do so on unfavourable terms. A breach of bank covenants could result in the company's borrowings becoming immediately repayable.

Medium term financial forecasts and shorter term budgets are regularly reviewed at group and company level to assess financing requirements to ensure sufficient headroom against facilities.

The company is exposed to credit, liquidity and cash flow risks.

Credit risk is where one party causes a financial loss to another by failing to discharge an obligation. Company policies are aimed at minimising such losses and require that deferred terms are only granted to credit worthy customers. Credit risk is constantly monitored.

Liquidity risk occurs when an entity encounters difficulty in meeting its payment obligations as they fall due. The company aims to mitigate this risk by managing operational cash generation and having appropriate short and long term credit facilities in place.

Cash flow risk is exposure to variability in cash flows attributable to a particular asset or liability such as future interest payments on variable rate debt. No derivative instruments are held.

Pensions

The Group UK defined benefit pension scheme was closed to future service accrual on December 31, 2008 to reduce risk and volatility in the future. However, the company continues to be subject to various financial risks in relation to its defined benefit pension schemes, principally changes in the discount rate (determined by AA corporate bonds relative to gilt yields), the performance of equities and increased longevity of members.