

Brett Landscaping Limited  
Report and accounts  
for the year ended 31 December 2015

Registered Number 00342312

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# ***Brett Landscaping Limited***

## **Directors**

W J Brett  
J Gilbert  
A H Smith  
N J Tarn

## **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, 2015. The Business Review is included within the Strategic Report on page 3.

## Principal activities

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

## Directors

The current directors of the company are set out on page 1. Mr N J Tarn was appointed as a director on June 30, 2015

## Going Concern

The directors have reviewed the Group's future cash forecasts and revenue projections which they believe to be based on prudent market data. They are of the opinion that the forecasts and projections, which take account of possible changes in trading, show that the Group should be able to operate within its committed banking facilities and comply with its banking covenants.

The directors have formed a judgement at the time of approving the financial statements that, although there are uncertainties generally associated with the wider economic climate, there are no material uncertainties that may cast significant doubt about the ability of the Group to continue in operational existence for the foreseeable future. For this reason they continue to adopt a going concern basis in preparing the financial statements.

## 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.

## 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 23, 2016

## Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report, the Strategic 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed as explained in the financial statements; and
- 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

Company Registered Number 00342312

## Strategic Report

### Results and dividend

The profit for the financial year before taxation amounted to £1,642,000 (2014 – loss of £547,000) and this amount less taxation is to be transferred to reserves. The directors do not recommend the payment of a dividend for the year (2014 - £nil).

### Business Review

The UK construction market in 2015 enjoyed a third successive year of growth, led by continued strong demand in the South East, particularly London in general and the housing sector across the region.

Company revenues were 20% higher for the full year at £60.9m (2014: £50.9m) and the profit before taxation was £1.6m as compared to a loss of £0.5m in 2014. The improvements reflect the cumulative benefits of volume increases, demand led improvements in selling prices and restructuring actions taken in previous years.

### Outlook

The medium term outlook for the UK construction sector remains sound, especially in the South East. Whilst there have been some indications activity within the construction sector has been tempered by short term uncertainty, the demand for housing and critical infrastructure projects should be sufficient to underpin activity within the sector for the foreseeable future.

The Construction Products Association (CPA) has recently published its latest forecast for the UK Construction Sector and this reflects the uncertainty regarding the impact of the EU referendum. However, the CPA central forecast is for broadly stable levels of activity through to 2018.

The Company has performed satisfactorily in 2016 to date and the Board remains confident in the future prospects and is investing heavily in order to continue to strengthen its operations.

### Principal risks and uncertainties

**Economic conditions:** Demand for 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.

**Weather risks:** Periods of inclement weather may reduce the demand for our products and our ability to operate reducing sales 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 has guaranteed the borrowing of certain other group companies from its bankers. The Group requires continued access to credit facilities 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 Group 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 Group's borrowings becoming immediately repayable.

Medium term financial forecasts and shorter term budgets are regularly reviewed 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 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.

By order of the Board



N J Tarn  
Director

September 23, 2016

# Brett Landscaping Limited

Company Registered Number 00342312

## 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 2015 which are set out on pages 5 to 13. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its 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, 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*

150 Aldersgate Street  
London  
EC1A 4AB

23rd September, 2016

# **Brett Landscaping Limited**

Company Registered Number 00342312

## **Statement of comprehensive income** for the year ended December 31, 2015

	Note	2015 £000	2014 £000
<b>Turnover</b>		<b>60,939</b>	50,856
Costs and overheads	2	(59,103)	(51,129)
<b>Operating profit/(loss)</b>	3	<b>1,836</b>	(273)
Other interest receivable and similar income	5	879	863
Interest payable and similar charges	6	(1,073)	(1,137)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>1,642</b>	(547)
Taxation on profit/(loss) on ordinary activities	7	(427)	(230)
<b>Total comprehensive income/(loss) for the financial year</b>		<b>1,215</b>	(777)

The income/(loss) for the year is wholly attributable to the continuing operations of the company.

# Brett Landscaping Limited

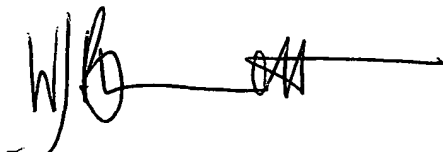
Company Registered Number 00342312

## Statement of financial position

December 31, 2015

	Note	2015 £000	2014 £000
<b>Fixed assets</b>			
Tangible assets	8	15,428	15,927
<b>Current assets</b>			
Stocks	9	6,669	5,783
Debtors, amounts falling due after more than one year	10	23,823	23,249
Debtors, amounts falling due within one year	10	8,936	9,206
Cash at bank and in hand		1,222	982
		40,650	39,220
Creditors, amounts falling due within one year	11	(12,607)	(11,631)
<b>Net current assets</b>		28,043	27,589
<b>Total assets less current liabilities</b>		43,471	43,516
Creditors, amounts falling due after more than one year	11	(34,436)	(35,696)
		9,035	7,820
<b>Capital and reserves</b>			
Called up share capital	13	14,000	14,000
Revaluation reserve		1,315	1,325
Profit and loss reserve		(6,280)	(7,505)
<b>Shareholders' funds</b>		9,035	7,820

Approved by the Board of Directors on September 23, 2016



W J Brett  
Director

## Statement of changes in equity

for the year ended December 31, 2015

	Share capital	Revaluation reserve	Profit and loss reserve	Total
	£000	£000	£000	£000
<b>At January 1, 2014</b>	14,000	1,325	(6,728)	8,597
Loss for the year	-	-	(777)	(777)
<b>Total comprehensive income for the year</b>	-	-	(777)	(777)
<b>At December 31, 2014</b>	14,000	1,325	(7,505)	7,820
Profit for the year	-	-	1,215	1,215
<b>Total comprehensive income for the year</b>	-	-	1,215	1,215
Transfer of realised profits	-	(10)	10	-
<b>At December 31, 2015</b>	14,000	1,315	(6,280)	9,035

# **Brett Landscaping Limited**

Company Registered Number 00342312

## **Notes to the accounts**

### **1) Accounting policies**

#### **Statement of compliance**

Brett Landscaping Limited is a limited liability company incorporated in England. The registered office is 150 Aldersgate Street, London, EC1A 4AB. The principal place of business is Brett Landscaping & Building Products, Sileby Road, Barrow upon Soar, Loughborough, Leicestershire, LE12 8LX.

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The company transitioned from UK GAAP to FRS 102 as at January 1, 2014. Refer to note 17 for an explanation of the transition.

#### **Basis of preparation**

The accounts are prepared under the historical cost convention and in accordance with applicable UK accounting standards. The principal accounting policies that have been applied consistently to all periods presented in these financial statements are set out below. The financial statements are presented in Sterling (£), rounded to the nearest thousand.

#### **Cash flow statement**

The company is exempt from producing a Statement of cash flows as required by FRS 102 Section 7 "Statement of Cash Flows" 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 1.11 of FRS 102 Section 1 "Scope".

#### **Related party disclosures**

The company is exempt under paragraph 33.1A of FRS 102 Section 33 "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 Income statement 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 Statement of financial position date using the tax rates expected to apply in the period in which timing differences reverse based on current rates and laws.

#### **Turnover**

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

#### **Pensions**

Contributions to the group defined contribution schemes are charged against profits as incurred.



# Brett Landscaping Limited

Company Registered Number 00342312

## Notes to the accounts (continued)

### 1) Accounting policies

#### Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial instruments are classified as either 'basic' or 'other' in accordance with FRS 102 Section 11 "Basic Financial Instruments". At the end of each reporting period, debt instruments classified as basic are measured at amortised cost using the effective interest rate method. All of the company's financial instruments are classified as 'basic' in accordance with FRS 102 Section 11

#### Research and development

Expenditure on development and improvement of new and existing products is written off in the year in which it is incurred.

#### Judgements and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires company management to exercise judgement in applying the company's accounting policies. In preparing these financial statements the directors have made the following judgements and estimates:

- (i) **Impairment of assets:** The company determines whether there are indicators of impairment of tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- (ii) **Carrying value of property, plant and equipment:** Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- (iii) **Provisions:** The company has recognised provisions for impairment of stocks and trade debtors and employee bonuses in its financial statements which requires management to make judgements. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience, expected future cash flows and other reasonable factors.
- (v) **Recoverability of deferred taxation asset:** The company has recognised certain deferred taxation assets in its financial statements which would require judgement for determining the extent of its recoverability at each balance sheet date. The company assesses recoverability with reference to board approved forecasts of future taxable profits.

### 2) Costs and overheads

	2015 £000	2014 £000
Changes in stock	886	(94)
Profit on disposal of assets	(28)	-
Raw materials and consumables	20,910	20,451
Employment costs (note 4)	10,042	8,722
Depreciation and other amounts written off fixed assets	2,002	1,709
Other operating charges	25,291	20,341
	<u>59,103</u>	<u>51,129</u>

### 3) Operating profit/(loss)

	2015 £000	2014 £000
Operating profit/(loss) is stated after charging:		
Land and building operating lease rentals	280	280
Plant and machinery operating lease rentals	253	299
Auditors' remuneration – audit services	38	37

# Brett Landscaping Limited

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## Notes to the accounts (continued)

### 4) Directors and employees

	2015 £000	2014 £000
a) Employment costs		
Wages and salaries	8,707	7,532
Social security costs	852	741
Other pension costs	483	449
	<u>10,042</u>	<u>8,722</u>
b) Directors' emoluments		
Emoluments	116	189
Other pension costs	46	45
	<u>162</u>	<u>234</u>

The emoluments of the highest paid director were £162,000 (2014 - £234,000). Retirement benefits are provided to the following number of directors under:

	Number of directors	
	2015	2014
Defined contribution schemes	<u>1</u>	<u>1</u>

### c) Key management personnel

Key management personnel are those persons having authority for planning, directing and controlling the activities of an entity; the Company's key management personnel are the directors of Brett Landscaping Limited

	2015 Number	2014 Number
d) Average number of persons employed by the company during the year		
Production	140	124
Administration	109	100
	<u>249</u>	<u>224</u>

### 5) Other interest receivable and similar income

	2015 £000	2014 £000
On inter company loans	<u>879</u>	<u>863</u>

### 6) Interest payable and similar charges

	2015 £000	2014 £000
On bank loans	51	72
On inter company loans	1,022	1,065
	<u>1,073</u>	<u>1,137</u>

### 7) Taxation

	2015 £000	2014 £000
a) Taxation on profit/(loss) on ordinary activities		
Current taxation:		
UK corporation tax	-	(266)
Total current taxation	<u>-</u>	<u>(266)</u>
Deferred taxation:		
Origination and reversal of timing differences	375	357
Changes in the standard taxation rate on opening balance	52	139
Total deferred taxation	<u>427</u>	<u>496</u>
Taxation on profit/(loss) on ordinary activities	<u>427</u>	<u>230</u>

# Brett Landscaping Limited

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## Notes to the accounts (continued)

### 7) Taxation (continued)

#### b) Factors affecting the taxation charge for the year

The standard rate of UK corporation tax for the year is 20.25% (2014 – 21.50%). The actual taxation charge calculated for both the current and prior year is different from the standard rate for the reasons set out below.

	2015 £000	2014 £000
Taxation on loss on ordinary activities at standard UK corporation tax rate	333	(118)
Variation between capital allowances and depreciation	42	300
Other timing differences	(10)	(96)
Expenses not deductible for taxation purposes	10	5
Changes in the standard taxation rate on opening balance	52	139
Taxation on profit/(loss) on ordinary activities	<u>427</u>	<u>230</u>

### 8) Tangible fixed assets

	Freehold land and buildings £000	Short leasehold property £000	Plant, Machinery, Vehicles and equipment £000	Total £000
<b>Cost or valuation</b>				
At January 1, 2015	9,530	1,732	22,668	33,930
Additions	8	-	1,495	1,503
At December 31, 2015	<u>9,538</u>	<u>1,732</u>	<u>24,163</u>	<u>35,433</u>
<b>Depreciation</b>				
At January 1, 2015	488	188	17,327	18,003
Charge for year	245	92	1,665	2,002
At December 31, 2015	<u>733</u>	<u>280</u>	<u>18,992</u>	<u>20,005</u>
<b>Net book value</b>				
At January 1, 2015	9,042	1,544	5,341	15,927
At December 31, 2015	<u>8,805</u>	<u>1,452</u>	<u>5,171</u>	<u>15,428</u>

On transition to FRS102, as at January 1, 2014 the Directors have taken the decision to treat the existing net book value of all freehold land and buildings and short leasehold property as deemed cost. The net book value as at January 1, 2014 incorporates a revaluation undertaken as at December 31, 2012.

### 9) Stocks

	2015 £000	2014 £000
Raw materials and consumables	1,103	1,067
Work in progress	253	101
Finished goods	<u>5,775</u>	<u>5,101</u>
	<u>7,131</u>	<u>6,269</u>
Allowance for estimated irrecoverable stock	<u>(462)</u>	<u>(486)</u>
Net stocks	<u>6,669</u>	<u>5,783</u>

# Brett Landscaping Limited

Company Registered Number 00342312

## Notes to the accounts (continued)

### 10) Debtors

	2015 £000	2014 £000
<b>Due within one year</b>		
Gross trade debtors	8,087	7,895
Allowance for estimated irrecoverable trade debt	(86)	(91)
Trade debtors	<u>8,001</u>	<u>7,804</u>
Amounts owed by fellow subsidiary companies	14	26
Amounts owed by ultimate parent company	31	-
Other debtors	-	21
Deferred tax asset	673	1,100
Prepayments and accrued income	<u>217</u>	<u>255</u>
	<u>8,936</u>	<u>9,206</u>
<b>Due after more than one year</b>		
Amounts owed by fellow subsidiary companies	<u>23,823</u>	<u>23,249</u>
	<u>23,823</u>	<u>23,249</u>
Deferred taxation asset comprises:		
	2015 £000	2014 £000
On revaluation of land and buildings	(263)	(278)
Capital losses	336	353
Trading losses	36	448
Writing down allowances	550	560
Other timing differences	<u>14</u>	<u>17</u>
	<u>673</u>	<u>1,100</u>

### 11) Creditors

	2015 £000	2014 £000
<b>Due within one year</b>		
Bank facilities	-	28
Trade creditors	5,424	4,444
Amounts owed to ultimate holding company	242	1,120
Amounts owed to fellow subsidiary companies	903	897
Other taxation and social security	724	682
Other creditors	3,436	2,677
Accruals and deferred income	<u>1,878</u>	<u>1,783</u>
	<u>12,607</u>	<u>11,631</u>
<b>Due after more than one year</b>		
Amounts owed to ultimate holding company	13,322	15,475
Amounts owed to fellow subsidiary companies	<u>21,114</u>	<u>20,221</u>
	<u>34,436</u>	<u>35,696</u>

The bank facilities bore interest at rates which fluctuate in line with market rates and at the year end were 3.07% (2014 - 3.05%) 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.

# Brett Landscaping Limited

Company Registered Number 00342312

## Notes to the accounts (continued)

### 12) Financial instruments

	2015 £000	2014 £000
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	33,091	32,082
	<u>33,091</u>	<u>32,082</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	46,319	46,645
	<u>46,319</u>	<u>46,645</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, amounts owed by parent and fellow subsidiary companies and other debtors.

Financial liabilities measured at amortised cost comprise bank facilities, trade creditors, amounts owed to parent and fellow subsidiary companies, other creditors and accruals.

### 13) Called up share capital

	Authorised		Allotted, called up and fully paid	
	Number	£000	Number	£000
<b>Ordinary shares of £1 each</b>				
At January 1 and December 31, 2015	14,000,000	14,000	14,000,000	14,000

All shares rank equally in respect of shareholder rights.

### 14) Other financial commitments

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

	2015		2014	
	Land & buildings £000	Other £000	Land & buildings £000	Other £000
in less than one year	280	577	280	292
between two and five years	1,120	2,053	1,120	477
after more than five years	1,960	558	2,240	-
	<u>3,360</u>	<u>3,188</u>	<u>3,640</u>	<u>769</u>

### 15) 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, 2015 the sum guaranteed was £3.5m (2014 - £3.8m)

Until March 27, 2015 the company was a participating employer in the group defined benefit pension scheme. On this date Robert Brett & Sons Limited, by means of a flexible appointment arrangement, released the company from its liability to the scheme in return for the company providing a guarantee, in respect of the scheme liabilities, to the parent company.

# Brett Landscaping Limited

Company Registered Number 00342312

## Notes to the accounts (continued)

### 16) Ultimate holding company

In the opinion of the directors, the ultimate holding company as at December 31, 2015 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.

### 17) First time adoption of FRS102

The Company transitioned to FRS 102 from previously extant UK GAAP as at January 1, 2014. The impact of the transition to FRS 102 on equity and comprehensive income is as follows:

	Note	Equity as at January 1, 2014 £000	Loss for the year ended December 31, 2014 £000	Equity as at December 31, 2014 £000
As previously stated under former UK GAAP		7,000	(1)	7,000
Transitional adjustments				
Provision of deferred taxation on all timing differences	a	1,596	(776)	820
As stated in accordance with FRS102		<u>8,597</u>	<u>(777)</u>	<u>7,820</u>

Explanation of changes to previously reported equity and comprehensive income:

a. FRS102 requires deferred taxation to be recognised on all timing differences at the reporting date. This change has been applied retrospectively, leading to the recognition of additional deferred taxation assets and liabilities at the date of transition and an increase the deferred taxation charge for the year ended 31 December 2014.

The last period of accounts prepared under previous UK GAAP was for the year to December 31, 2014.