

Brett Landscaping Limited  
Report and accounts  
for the year ended 31 December 2014

Registered Number 00342312

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# 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, 2014. 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.

## **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.

## **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

June 30, 2015

## **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; 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

## Strategic Report

### Results and dividend

The loss for the financial year before taxation amounted to £547,000 (2013 – £3,214,000) and this amount less taxation is to be transferred to reserves. The directors do not recommend the payment of a dividend for the year (2013 – £nil).

### Business Review

In 2014 the UK construction market enjoyed a second successive year of growth with output up 5% led by strong demand in the South East, the Group's principal market. However, the UK market going into 2015 is still some 10% below pre-recession levels.

The strong performance reported in the second half of 2013 continued into 2014 reflecting the improving economic outlook and rising consumer confidence.

Company revenues were 12% higher for the full year at £50.9m (2013: £45.2m) and the loss before taxation was £0.5m as compared to £3.2m in 2013. The improvements reflect the cumulative benefits of volume increases, higher margins from improved pricing strength and restructuring actions taken in previous years.

### Outlook

Over the past twelve months the CPA has continued to raise its forecasts for UK construction activity. It is currently projecting 5% growth in 2015 and 4% on average for each of the next three years. Trading conditions remain positive and the Company continues to experience strong order intake. The Company is well positioned to take advantage of the stronger market demand.

### 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 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 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 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.

**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 liability to the defined benefit pension scheme, principally changes in the discount rate (determined by AA corporate bonds relative to gilt yields), the performance of equities and increased longevity of members.

By order of the Board



J Gilbert  
Secretary

June 30, 2015

# 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 2014 which are set out on pages 5 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 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 2014 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 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



# **Brett Landscaping Limited**

## **Profit and loss account**

for the year ended December 31, 2014

	Note	2014 £000	2013 £000
Turnover	1	50,856	45,248
Costs and overheads	2	(51,129)	(48,124)
Operating loss	3	(273)	(2,876)
Other interest receivable and similar income	5	863	835
Interest payable and similar charges	6	(1,137)	(1,173)
Loss on ordinary activities before taxation		(547)	(3,214)
Taxation on loss on ordinary activities	7	546	(336)
Retained loss for the financial year	13	(1)	(3,550)

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

The company has no recognised gains or losses other than the results above and therefore no separate statement of total recognised gains and losses has been prepared.

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.

# Brett Landscaping Limited

## Balance Sheet December 31, 2014

	Note	2014 £000	2013 £000
<b>Fixed assets</b>			
Tangible assets	8	15,927	16,602
<b>Current assets</b>			
Stocks	9	5,783	5,877
Debtors, amounts falling due after more than one year	10	23,249	22,684
Debtors, amounts falling due within one year	10	5,908	4,470
Cash at bank and in hand		982	908
		35,922	33,939
Creditors, amounts falling due within one year	11	(9,153)	(7,393)
<b>Net current assets</b>		26,769	26,546
<b>Total assets less current liabilities</b>		42,696	43,148
Creditors, amounts falling due after more than one year	11	(35,696)	(36,147)
		7,000	7,001
<b>Capital and reserves</b>			
Called up share capital	12	14,000	14,000
Revaluation reserve	13	1,325	1,325
Profit and loss account	13	(8,325)	(8,324)
<b>Shareholders' funds</b>	14	7,000	7,001

Approved by the Board of Directors on June 30, 2015



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

	2014 £000	2013 £000
Changes in stock	(94)	(508)
Raw materials and consumables	20,451	17,992
Employment costs (note 4)	8,722	8,353
Depreciation and other amounts written off fixed assets	1,709	1,661
Other operating charges	20,341	20,626
	<u>51,129</u>	<u>48,124</u>

### 3) Operating loss

	2014 £000	2013 £000
Operating loss is stated after charging:		
Land and building operating lease rentals	280	280
Plant and machinery operating lease rentals	299	299
Auditors' remuneration – audit services	<u>37</u>	<u>34</u>

### 4) Directors and employees

	2014 £000	2013 £000
a) Employment costs		
Wages and salaries	7,532	7,290
Social security costs	741	686
Other pension costs	<u>449</u>	<u>377</u>
	<u>8,722</u>	<u>8,353</u>
b) Directors' emoluments		
Emoluments	189	153
Other pension costs	<u>45</u>	<u>15</u>
	<u>234</u>	<u>168</u>

The emoluments of the highest paid director were £234,000 (2013 - £168,000). Retirement benefits are provided to the following number of directors under:

	Number of directors	
	2014	2013
Defined contribution schemes	<u>1</u>	<u>1</u>

	2014 Number	2013 Number
c) Average number of persons employed by the company during the year		
Production	124	119
Administration	<u>100</u>	<u>93</u>
	<u>224</u>	<u>212</u>

### 5) Other Interest receivable and similar income

	2014 £000	2013 £000
On inter company loans	<u>863</u>	<u>835</u>

### 6) Interest payable and similar charges

	2014 £000	2013 £000
On bank loans	72	206
On inter company loans	<u>1,065</u>	<u>967</u>
	<u>1,137</u>	<u>1,173</u>

# Brett Landscaping Limited

## Notes to the accounts (continued)

### 7) Taxation

	2014 £000	2013 £000
<b>a) Tax on loss on ordinary activities</b>		
Current tax:		
UK corporation tax	(266)	(874)
Adjustments in respect of prior years	-	654
Total current tax	<u>(266)</u>	<u>(220)</u>
Deferred tax:		
Origination and reversal of timing differences	-	556
Adjustments in respect of prior years	(280)	-
Total deferred tax	<u>(280)</u>	<u>556</u>
Tax on loss on ordinary activities	<u>(546)</u>	<u>336</u>

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

The standard rate of UK corporation tax for the year is 21.50% (2013 – 23.25%). The actual tax charge calculated for both the current and prior year is different from the standard rate for the reasons set out below.

	2014 £000	2013 £000
Taxation on loss on ordinary activities at standard UK corporation tax rate	(118)	(747)
Variation between capital allowances and depreciation	(10)	(151)
Other timing differences	(143)	(63)
Expenses not deductible for taxation purposes	5	87
Adjustments in respect of previous years	-	654
Effective current taxation charge on loss on ordinary activities before taxation	<u>(266)</u>	<u>(220)</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, 2014	9,514	1,732	21,650	32,896
Additions	16	-	1,018	1,034
<b>At December 31, 2014</b>	<u>9,530</u>	<u>1,732</u>	<u>22,668</u>	<u>33,930</u>
<b>Depreciation</b>				
At January 1, 2014	245	96	15,953	16,294
Charge for year	243	92	1,374	1,709
<b>At December 31, 2014</b>	<u>488</u>	<u>188</u>	<u>17,327</u>	<u>18,003</u>
<b>Net book value</b>				
At January 1, 2014	9,269	1,636	5,697	16,602
<b>At December 31, 2014</b>	<u>9,042</u>	<u>1,544</u>	<u>5,341</u>	<u>15,927</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)

	2014 £000	2013 £000
a) Cost or valuation on land and buildings comprises		
Cost	16	-
Valuation - 2012	11,246	11,246
	<u>11,262</u>	<u>11,246</u>

	2014 £000	2013 £000
b) If land and buildings had not been revalued they would be carried in the balance sheet at:		
Cost	14,391	14,375
Accumulated depreciation	(5,130)	(4,795)
	<u>9,261</u>	<u>9,580</u>

### 9) Stocks

	2014 £000	2013 £000
Raw materials and consumables	1,067	1,099
Work in progress	101	179
Finished goods	4,615	4,599
	<u>5,783</u>	<u>5,877</u>

### 10) Debtors

	2014 £000	2013 £000
<b>Due within one year</b>		
Trade debtors	5,326	4,264
Amounts owed by fellow subsidiary companies	26	-
Amounts owed by ultimate parent company	-	1
Other debtors	21	1
Deferred tax asset	280	-
Prepayments and accrued income	255	204
	<u>5,908</u>	<u>4,470</u>
<b>Due after more than one year</b>		
Amounts owed by fellow subsidiary companies	23,249	22,684
	<u>23,249</u>	<u>22,684</u>

The deferred tax balance arises from timing differences relating to capital allowances of £280,000 (2013 – £Nil). A deferred tax asset of £1,098,000 (2013 - £1,548,000) relating to losses and other timing differences has not been recognised due to the uncertainty of recovery. A deferred tax liability of £278,000 (2013 - £278,000) relating to the revaluation of land & buildings has not been recognised.

# Brett Landscaping Limited

## Notes to the accounts (continued)

### 11) Creditors

	2014 £000	2013 £000
<b>Due within one year</b>		
Bank facilities	28	44
Trade creditors	4,444	4,402
Amounts owed to ultimate holding company	1,120	49
Amounts owed to fellow subsidiary companies	897	782
Other taxation and social security	682	586
Other creditors	199	73
Accruals and deferred income	1,783	1,457
	<u>9,153</u>	<u>7,393</u>
<b>Due after more than one year</b>		
Amounts owed to ultimate holding company	15,475	16,821
Amounts owed to fellow subsidiary companies	20,221	19,326
	<u>35,696</u>	<u>36,147</u>

The bank facilities bore interest at rates which fluctuate in line with market rates and at the year end were 3.05% (2013 - 3.27%) 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
<b>Ordinary shares of £1 each</b>				
At January 1 and December 31, 2014	<u>14,000,000</u>	<u>14,000</u>	<u>14,000,000</u>	<u>14,000</u>

All shares rank equally in respect of shareholder rights.

### 13) Reserves

	Revaluation reserve	Profit and loss account
	£000	£000
At January 1, 2014	1,325	(8,324)
Loss for the financial year	-	(1)
<b>At December 31, 2014</b>	<u>1,325</u>	<u>(8,325)</u>

### 14) Reconciliation of movements in shareholders' funds

	2014 £000	2013 £000
Opening shareholders' funds at January 1	7,001	10,551
Loss for the financial year	(1)	(3,550)
<b>Closing shareholders' funds at December 31</b>	<u>7,000</u>	<u>7,001</u>

# Brett Landscaping Limited

## Notes to the accounts (continued)

### 15) Other financial commitments

Annual commitments under non-cancellable operating leases are as follows:

	2014		2013	
	Land & buildings £000	Other £000	Land & buildings £000	Other £000
expiring in less than one year	-	31	-	119
expiring between two and five years	-	197	-	226
expiring after more than five years	280	-	280	-
	<u>280</u>	<u>228</u>	<u>280</u>	<u>345</u>

### 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, 2014 the sum guaranteed was £3.8m (2013 - £4.7m)

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 £449,000 (2013 - £377,000) 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, 2014 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.