

**Brett Landscaping Limited**  
**Reports and financial statements**  
**for the year ended 31 December 2020**

**Registered Number 00342312**

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# ***Brett Landscaping Limited***

## **Directors**

W J Brett  
J Gilbert  
N J Tarn  
R H Baldry

## **Bankers**

HSBC Bank plc  
71 Queen Victoria St  
London EC4V 4AY

## **Auditors**

BDO LLP  
55 Baker Street  
London W1U 7EU

## **Secretary**

S F Kitchin

## **Registered Office**

Robert Brett House  
Ashford Road  
Canterbury  
Kent CT4 7PP

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, 2020. 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. A H Smith resigned as a director on December 31, 2020.

## Going concern

The directors have reviewed the Company's future cash forecasts and revenue projections through to December 2022 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 Company should be able to operate within its available banking facilities. The Company has not utilised its facilities in 2021.

Details of the impact of Covid-19 are given on page 4 and further details on the assessment of going concern are set out on page 10.

## Business relationships

The directors foster business relationships with suppliers, customers and others as set out in the s172 report on page 4.

## Employees

The Company recognises the importance of employee involvement in the operation and development of its business and enabling each employee to give their best. Employees are kept informed about their own business units and the Company as a whole through regular newsletters, communication forums and meetings with management which allow a free flow of information and ideas.

During 2020 the Company developed an employee extranet to keep all employees updated on business performance, the Company's response to the pandemic and other relevant information.

The Company is committed to a policy of recruitment and promotion based on equal opportunity, aptitude and ability without discrimination of any kind. It considers the skills and aptitudes of disabled persons in recruitment and if existing employees become disabled, every effort is made to retain them and retraining is arranged whenever possible.

## Energy and emissions

The table below shows the annual energy use by the Company. This is a reporting requirement of the UK Government's Streamlined Energy and Carbon Reporting regime which was effective for the first time in 2020.

	2020
UK energy use (mWh)	11,708
Associated greenhouse gas emissions (tCO <sub>2</sub> e):	
Natural gas	814
Fuel for transport purposes	489
Purchased electricity	1,475
Staff business travel	-
Total greenhouse gas emissions	2,778
Intensity ratio (kg CO <sub>2</sub> e per £ of turnover)	0.05

Carbon conversion factors have been taken from UK Government GHG Conversion Factors for Company Reporting 2020. For the purposes of baselining and ongoing comparison we are required to express emissions using a carbon intensity metric where kg per £ of turnover has been selected.

During the course of 2020 the Company undertook a number of energy efficiency actions to reduce carbon emissions. We are committed to reducing our carbon emissions by improving the energy efficiency of our production facilities and have monitoring regimes at all key sites.

## Independent auditor and statement of provision of information to the independent auditor

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

- so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- 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



S F Kitchen  
Secretary

July 29, 2021

# **Brett Landscaping Limited**

Company Registered Number 00342312

## **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 and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

# Brett Landscaping Limited

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## Strategic report

### Results and dividend

The profit for the financial year before taxation amounted to £0.6m (2019 – £1.9m) and this amount less taxation is to be transferred to reserves. No dividend was paid in the year (2019 – £nil).

### Impact of Covid-19

Demand for construction materials fell significantly in the second quarter of 2020 as UK companies implemented Government policy to combat the Covid-19 pandemic with sales being c65% of those achieved in the corresponding period of 2019. Volumes however recovered strongly in the second half of 2020 led by RM&I and housebuilding activity and we operated at c95% of 2019 levels over this period.

The Company took early and decisive action to realign its cost base and focused on preserving liquidity and financial headroom. Headcount was reduced and all discretionary expenditure halted. Capital expenditure was restricted to critical projects and robust disciplines were applied to the management of working capital including deferral of tax payments where available and utilising the Government's furlough scheme. In addition, new medium term banking facilities were negotiated.

### Business Review

The Company's revenues declined by 9% to £61m (2019: £67m) as a result of the reduction in demand that followed Government action to counter the pandemic. Operating profit of £0.7m (2019: £2.0m) was struck after recognising restructuring costs of £0.2m and the benefit of £1.1m from government Covid-19 grants.

The following KPIs monitor progress towards the achievement of the Company's objectives:

	2020	2019
Turnover £m	60.8	66.9
top line growth		
Operating profit £m	0.7	2.0
long term sustainable profitability		
Health & Safety days lost	69	127
safely in the working environment		

### Outlook

Market demand to date in 2021 has been broadly in line with that experienced in the same period of 2019. Activity has been stronger than many expected, driven in part by RM&I and the continued strength of the new build housing sector which have underpinned a strong start to trading in the current financial year. However, the strength of the upturn has led to raw material and haulage constraints and as a consequence the industry's cost and pricing structures are subject to significant upward pressure.

Although the near-term outlook for economic and construction activity remains uncertain, market recovery is expected to continue as lockdown measures are relaxed. The UK economy is expected to recover over 2021 and for overall output to match pre-covid levels in 2022. We believe that the outlook for our markets remains positive over the long-term.

## Statement in respect of s172(1) Companies Act 2006

The Board is committed to and actively encourages effective relationships and communication with the Company's stakeholders to obtain a greater understanding of each other's needs and interests which maximises value for the Company and contributes to its long-term success. The Company has identified five key stakeholder groups and examples of how the Board considers their interests are set out below:

**Colleagues:** We recognise our employees as a key contributor to the value generated by our business. Our colleagues are experienced and are offered the opportunity for further career development through training that encompasses access to higher education, management development programmes, on the job training and health and safety initiatives. We engage with our employees through communication forums, newsletters, presentations, employee surveys and development reviews.

**Customers and suppliers:** We work alongside our customers to deliver innovative solutions to support the many major projects on which we are engaged, providing a high quality customer service. We recognise that customer loyalty is key to our long-term success. We strive to maximise value from our suppliers and work with them to support the delivery of our customers' needs.

**Communities:** We are at the heart of the communities in which we operate and recognise our responsibility to be good, supportive and engaged neighbours. Where appropriate, we have active liaison programmes with the communities in which we operate and we take into account their interests and concerns in our operational activities. The Company supports local causes through donations and the provision of products and labour.

**Regulators and Local Government:** Developing and sustaining good relationships with the many regulators responsible for our industry is central to the effective operation of our business. We are committed to meeting all of our legal, regulatory and environmental obligations and during the year had regular review meetings with the HSE, the Environment Agency and planning authorities to ensure that the highest standards are maintained.

**Shareholders:** Our ultimate shareholders play a critical role in the continued success of our business. We maintain purposeful and close relationships with them through site visits and financial and operating updates. The Group Board engages with the shareholders to ensure the Company's long term strategy is aligned with their expectations.

# **Brett Landscaping Limited**

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## **Strategic report (continued)**

### **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.

**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 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.

By order of the Board



N J Tarn  
Director

July 29, 2021

# **Brett Landscaping Limited**

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## **Independent auditor's report to the members of Brett Landscaping Limited**

### **Opinion on the 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 2020 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.

We have audited the financial statements of Brett Landscaping Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to Report in respect of the following matters in relation to which 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.

# Brett Landscaping Limited

Company Registered Number 00342312

## Independent auditor's report to the members of Brett Landscaping Limited (continued)

### Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities 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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the directors and other management.
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related company legislation) and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the directors.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

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.

DocuSigned by:

**BDO LLP**

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Richard Willis, *Senior Statutory Auditor*  
For and on behalf of BDO LLP, Statutory Auditor  
London

July 29, 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)



# Brett Landscaping Limited

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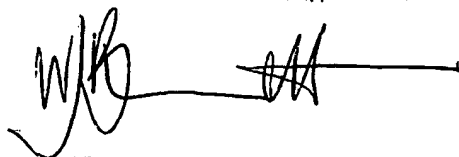
## Statement of comprehensive income for the year ended December 31, 2020

	Note	2020 £000	2019 £000
Turnover		60,803	66,853
Costs and overheads	2	(61,269)	(64,870)
Other operating income	3	1,157	46
Operating profit	4	691	2,029
Interest payable and similar charges	6	(66)	(109)
Profit on ordinary activities before taxation		635	1,920
Taxation on profit on ordinary activities	7	(174)	(435)
Total comprehensive income for the financial year		461	1,485

## Statement of financial position December 31, 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	8	15,539	16,547
Current assets			
Stocks	9	5,319	8,697
Debtors, amounts falling due within one year	10	8,943	9,796
Cash at bank and in hand		1,440	1
		15,702	18,494
Creditors, amounts falling due within one year	11	(13,811)	(16,761)
Net current assets		1,891	1,733
Total assets less current liabilities		17,430	18,280
Creditors, amounts falling due after more than one year	11	(1,623)	(2,934)
		15,807	15,346
Capital and reserves			
Called up share capital	13	14,000	14,000
Revaluation reserve		1,168	1,215
Profit and loss reserve		639	131
Shareholder's funds		15,807	15,346

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on July 29, 2021 by



W J Brett  
Director

The notes on pages 10 to 15 form an integral part of these financial statements.

## **Brett Landscaping Limited**

Company Registered Number 00342312

### **Statement of changes in equity for the year ended December 31, 2020**

	Share capital	Revaluation reserve	Profit and loss reserve	Total
	£000	£000	£000	£000
At January 1, 2019	14,000	1,240	(1,379)	13,861
Profit for the year	-	-	1,485	1,485
Total comprehensive income for the year	-	-	1,485	1,485
Transfer of realised profits	-	(25)	25	-
At December 31, 2019	14,000	1,215	131	15,346
Profit for the year	-	-	461	461
Total comprehensive income for the year	-	-	461	461
Transfer of realised profits	-	(47)	47	-
At December 31, 2020	14,000	1,168	639	15,807

The notes on pages 10 to 15 form an integral part of these financial statements.

# **Brett Landscaping Limited**

Company Registered Number 00342312

## **Notes to the financial statements**

### **1) Accounting policies**

#### **Statement of compliance**

Brett Landscaping Limited is a private company limited by shares, registered in England and Wales. The registered office is Robert Brett House, Ashford Road, Canterbury, Kent CT4 7PP. 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.

#### **Basis of preparation**

The financial statements 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.

#### **Going concern**

The Company's bank facilities are part of a Group facility of up to £41m, which was undrawn as at the date of approval of the financial statements. The Directors have reviewed the Company's future cash forecasts and revenue projections and are of the opinion that:

- the forecasts and projections, which take account of possible changes in trading performance in the current uncertain economic climate, show that the Company expects to be able to operate within its current level of cash, working capital and bank facilities, without the requirement for any additional external finance; and
- as such, at the time of approving the financial statements, there is a good expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Accordingly, the Directors continue to adopt a going concern basis in preparing the financial statements.

#### **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**

Tangible fixed assets are stated at cost less depreciation and any write down for impairment.

##### **(i) Freehold land**

No depreciation is provided on freehold land.

##### **(ii) Property, plant and equipment**

Depreciation is provided on these assets to write off their cost by equal annual instalments over their expected useful economic lives. The depreciation rates principally applied are as follows:

Buildings	4%
Leasehold property	over the period of the lease
Plant, machinery, vehicles and equipment	5-33%

#### **Leases**

Operating lease costs of leased assets are charged to the Statement of comprehensive income as they are incurred.

#### **Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost comprises the actual costs of raw materials and, in the case of work in progress and finished goods, an appropriate proportion of labour and production overheads.

# **Brett Landscaping Limited**

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## **Notes to the financial statements (continued)**

### **1) Accounting policies (continued)**

#### **Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted, or substantively enacted, at the Statement of financial position date.

Deferred taxation is provided in respect of all material timing differences that have originated but not reversed at the Statement of financial position date using the taxation 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**

Payments to defined contribution pension schemes are recognised as an expense as they fall due.

#### **Government grants**

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company are recognised in the Income Statement in the period in which they become receivable.

#### **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 assets. 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 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 requires judgement in determining the extent of recoverability at each Statement of financial position date. The Company assesses recoverability with reference to board approved forecasts of future taxable profits.

# Brett Landscaping Limited

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## Notes to the financial statements (continued)

### 2) Costs and overheads

	2020 £000	2019 £000
Changes in stocks of finished goods and work in progress	(3,475)	1,269
Raw materials and consumables	26,211	21,896
Employment costs (note 4)	11,411	12,398
Depreciation (note 7)	2,047	2,115
Restructuring costs	159	-
Other operating charges	25,045	27,192
Profit on disposal of assets	(129)	-
	<u>61,269</u>	<u>64,870</u>

### 3) Other operating income

	2020 £000	2019 £000
Government Coronavirus Job Retention Scheme grants received	1,135	-
Rental income	22	46
	<u>1,157</u>	<u>46</u>

### 4) Operating profit

	2020 £000	2019 £000
Operating profit is stated after charging:		
Land and building operating lease rentals	355	280
Plant and machinery operating lease rentals	523	435
Auditor's remuneration – audit services	35	34

### 5) Directors and employees

	2020 £000	2019 £000
a) Employment costs		
Wages and salaries	9,865	10,763
Social security costs	940	1,005
Other pension costs	606	630
	<u>11,411</u>	<u>12,398</u>

	2020 £000	2019 £000
b) Directors' emoluments		
Emoluments	202	14
Pension contributions	17	1
	<u>219</u>	<u>15</u>

Retirement benefits are provided to the following number of directors under:

	2020 Number	2019 Number
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

	2020 Number	2019 Number
d) Average number of persons employed by the Company during the year		
Production	191	197
Administration	<u>80</u>	<u>83</u>

# Brett Landscaping Limited

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## Notes to the financial statements (continued)

### 6) Interest payable and similar charges

	2020 £000	2019 £000
On bank loans	23	45
On inter company loans	33	64
	<u>56</u>	<u>109</u>

### 7) Taxation

#### a) Taxation on profit on ordinary activities

Current taxation:		
UK corporation tax	90	373
Adjustments in respect of prior periods	(9)	11
Total current taxation	<u>81</u>	<u>384</u>
Deferred taxation:		
Origination and reversal of timing differences	93	51
Total deferred taxation	<u>93</u>	<u>51</u>
Taxation on profit on ordinary activities	<u>174</u>	<u>435</u>

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

The standard rate of UK corporation tax for the year is 19% (2019 – 19%). The actual taxation calculated for both the current and prior year is different from the standard rate for the reasons set out below.

	2020 £000	2019 £000
Profit on ordinary activities before taxation	635	1,920
Taxation on profit on ordinary activities at standard UK corporation tax rate	121	365
Variation between capital allowances and depreciation	94	55
Other timing differences	(33)	(6)
Expenses not deductible for taxation purposes	1	10
Adjustments in respect of previous periods	(9)	11
Taxation on profit on ordinary activities	<u>174</u>	<u>435</u>

### 8) Tangible fixed assets

	Land and buildings £000	Plant, machinery, vehicles and equipment £000	Total £000
<b>Cost</b>			
At January 1, 2020	11,494	33,300	44,794
Additions	-	1,967	1,967
Disposals	(1,178)	-	(1,178)
At December 31, 2020	<u>10,316</u>	<u>35,267</u>	<u>45,583</u>
<b>Depreciation</b>			
At January 1, 2020	2,426	25,821	28,247
Charge for year	387	1,660	2,047
Disposals	(250)	-	(250)
At December 31, 2020	<u>2,563</u>	<u>27,481</u>	<u>30,044</u>
<b>Net book value</b>			
At January 1, 2020	9,068	7,479	16,547
At December 31, 2020	<u>7,753</u>	<u>7,786</u>	<u>15,539</u>

# Brett Landscaping Limited

Company Registered Number 00342312

## Notes to the financial statements (continued)

### 9) Stocks

	2020 £000	2019 £000
Raw materials and consumables	1,090	979
Work in progress	-	221
Finished goods	4,737	7,991
	<u>5,827</u>	<u>9,191</u>
Allowance for estimated irrecoverable stock	(508)	(494)
Net stocks	<u>5,319</u>	<u>8,697</u>

### 10) Debtors

	2020 £000	2019 £000
Due within one year		
Gross trade debtors	8,723	9,333
Allowance for estimated irrecoverable trade debt	(88)	(85)
Trade debtors	<u>8,635</u>	<u>9,248</u>
Amounts owed by ultimate parent company	6	-
Amounts owed by fellow subsidiary companies	17	-
Deferred tax asset	126	219
Prepayments and accrued income	159	329
	<u>8,943</u>	<u>9,796</u>

Deferred taxation asset comprises:

	2020 £000	2019 £000
On revaluation of land and buildings	(222)	(231)
Writing down allowances	334	435
Other timing differences	14	15
	<u>126</u>	<u>219</u>

### 11) Creditors

	2020 £000	2019 £000
Due within one year		
Bank facilities	-	1,281
Trade creditors	3,470	7,672
Amounts owed to ultimate parent company	1,569	1,545
Amounts owed to fellow subsidiary companies	651	630
Other taxation and social security	1,127	1,067
Other creditors	3,875	2,709
Accruals and deferred income	3,119	1,857
	<u>13,811</u>	<u>16,761</u>
Due after more than one year		
Amounts owed to ultimate parent company	1,623	2,934
	<u>1,623</u>	<u>2,934</u>

The amounts owed to the ultimate parent company and fellow subsidiary companies, due within one year, are interest free and repayable on demand. The amounts owed to the ultimate parent company, due after more than one year, bear interest at the base rate plus 2% and are repayable within 12 months following written notice to repay.

The Company has bank facilities which bear interest at rates that fluctuate in line with market rates and at the year-end were 1.35% (2019 – 2.00%) per annum.

The Company's bankers hold fixed and floating charges over all of its assets, a legal mortgage over certain freehold properties and cross guarantees between the Company and certain other group companies.

# Brett Landscaping Limited

Company Registered Number 00342312

## Notes to the financial statements (continued)

### 12) Financial instruments

	2020 £000	2019 £000
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>10,075</u>	<u>9,249</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>14,307</u>	<u>18,628</u>

Financial assets measured at amortised cost comprise cash at bank and in hand and trade debtors.

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

### 13) 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, 2020	<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.

### 14) Financial commitments

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

	2020		2019	
	Land & buildings £000	Other £000	Land & buildings £000	Other £000
in less than one year	355	467	280	520
between two and five years	1,420	214	1,120	724
after more than five years	1,420	-	1,400	-
	<u>3,195</u>	<u>681</u>	<u>2,800</u>	<u>1,244</u>

### 15) Contingent liabilities

Under a composite guarantee dated December 23, 2020 the Company has guaranteed the borrowing of certain other group companies from its bankers. At December 31, 2020, the sum guaranteed was £Nil (2019 - £6.8m).

The Company has contingent liabilities in respect of bonds, guarantees and agreements entered into in the normal course of business from which it is anticipated that no material liabilities will arise.

### 16) Defined benefit pension scheme

Until March 31, 2015 the Company was a participating employer in the Robert Brett Group 1978 Retirement Benefits 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. Details of the scheme are given in the financial statements of Robert Brett & Sons Limited

### 17) Ultimate parent company

In the opinion of the directors, the ultimate parent company as at December 31, 2020 was Robert Brett & Sons Limited, a company incorporated in Great Britain. Copies of the group accounts can be obtained from Companies House, Crown Way, Majindy, Cardiff CF14 3UZ.