

Financial Statements
for the Year Ended 31 December 2021
for
BROOM BOATS LIMITED

Contents of the Financial Statements
for the year ended 31 December 2021

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

BROOM BOATS LIMITED
Company Information
for the year ended 31 December 2021

Directors:

M R Scott
S A Thorne
A J Howell

Registered office:

The Yacht Station
Riverside
Brundall
Norwich
Norfolk
NR13 5PX

Registered number:

01147080 (England and Wales)

Auditors:

Haines Watts Essex LLP
Juniper House
Warley Hill Business Park
The Drive
Brentwood
Essex
CM13 3BE

Balance Sheet
31 December 2021

			2021		2020
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		5,550		5,550
Tangible assets	5		<u>4,015,260</u>		<u>3,109,868</u>
			4,020,810		3,115,418
Current assets					
Stocks	6	102,848		77,134	
Debtors	7	289,438		1,427,458	
Cash at bank and in hand		<u>81,152</u>		<u>43</u>	
		473,438		1,504,635	
Creditors					
Amounts falling due within one year	8	<u>343,633</u>		<u>9,939,970</u>	
Net current assets/(liabilities)			<u>129,805</u>		<u>(8,435,335)</u>
Total assets less current liabilities			<u>4,150,615</u>		<u>(5,319,917)</u>
Creditors					
Amounts falling due after more than one year	9		(1,225,949)		(357,882)
Provisions for liabilities	12		<u>(175,000)</u>		<u>-</u>
Net assets/(liabilities)			<u>2,749,666</u>		<u>(5,677,799)</u>
Capital and reserves					
Called up share capital	13		58,210		58,210
Share premium	14		445,376		445,376
Revaluation reserve	14		2,627,813		1,936,563
Retained earnings	14		<u>(381,733)</u>		<u>(8,117,948)</u>
Shareholders' funds			<u>2,749,666</u>		<u>(5,677,799)</u>

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

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 9 August 2022 and were signed on its behalf by:

M R Scott - Director

1. **Statutory information**

Broom Boats Limited is a private company, limited by shares, registered in England and Wales. The company's registered number is 01147080 and registered office address is The Yacht Station, Riverside, Brundall, Norwich, Norfolk, NR13 5PX.

2. **Accounting policies**

Basis of preparing the financial statements

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

Going concern

The Company meets its day to day working capital requirements through a combination of formal bank borrowings and support from its parent undertakings. The bank facilities of £611,677 are secured over the assets of the Company.

The directors reviewed and considered relevant information, including the annual budgets and forecasts of the company in making their assessment. Based on these assessments, the directors have concluded that they can continue to adopt the going concern basis in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date, and amounts reported for income and expenditure during the year. However, the nature of estimation mean that actual outcomes could differ from those estimates. No judgements (apart from those involving estimates) have been made when preparing the financial statements.

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- Stock provision

A provision for stock where net realisable value is expected to be less than cost has been included in the financial statements to ensure the stock balance represents a recoverable amount. The stock provision at 31 December 2021 was £nil.

- Amounts recoverable on contracts

Amounts recoverable on contracts are assessed on a contract by contract basis and turnover and related costs are recognised as the activity progresses.

- Amortisation and impairment of development costs

Development costs consist of expenditure incurred by the company in the design and development of new boating models. Amortisation of 2% per use has been applied.

- Useful economic life of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

On the sale of standard products and repairs, revenue is recognised by the company on completion of the job.

On the sale of boats, revenue is recognised across the life of the build.

2. Accounting policies - continued**Intangible assets**

Intangible assets are initially measured at cost. After recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Any impairment loss is to be recognised in the Income Statement following an assessment at the Balance Sheet date indicating the recoverable amount was less than its carrying value.

Development costs are being amortised evenly over their estimated useful life of 50 years.

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits and are amortised over the anticipated life of the benefits arising from the completed product or project. Development costs are reviewed annually, and where benefits are deemed to have ceased or to be in doubt, the balance of any related development is written off to the Statement of Comprehensive Income.

Tangible fixed assets

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

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

Freehold property	- 2% straight line
Improvements to freehold property	- 10% straight line
Plant and machinery	- 10% - 25% reducing balance
Motor vehicles	- 20% straight line
Fixtures, fittings & computer equipment	- 25% reducing balance
Website & software	- 25% - 33% straight line

Moulds included within plant and machinery, are written off over their useful economic lives. The useful economic lives are assessed annually by the directors.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

2. Accounting policies - continued**Deferred tax**

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

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

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. Employees and directors

The average number of employees during the year was 31 (2020 - 23) .

4. Intangible fixed assets

	Trademarks	Development costs	Totals
	£	£	£
Cost			
At 1 January 2021	5,550	726,272	731,822
Disposals	-	(726,272)	(726,272)
At 31 December 2021	<u>5,550</u>	<u>-</u>	<u>5,550</u>
Amortisation			
At 1 January 2021	-	726,272	726,272
Eliminated on disposal	-	(726,272)	(726,272)
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 31 December 2021	<u>5,550</u>	<u>-</u>	<u>5,550</u>
At 31 December 2020	<u>5,550</u>	<u>-</u>	<u>5,550</u>

Notes to the Financial Statements - continued
for the year ended 31 December 20215. **Tangible fixed assets**

	Freehold property £	Improvements to property £	Other fixed assets £	Totals £
Cost or valuation				
At 1 January 2021	3,000,000	194,363	3,023,117	6,217,480
Additions	-	425	122,042	122,467
Revaluations	700,000	-	-	700,000
At 31 December 2021	<u>3,700,000</u>	<u>194,788</u>	<u>3,145,159</u>	<u>7,039,947</u>
Depreciation				
At 1 January 2021	166,250	107,910	2,833,452	3,107,612
Charge for year	29,000	19,465	34,860	83,325
Revaluation adjustments	(166,250)	-	-	(166,250)
At 31 December 2021	<u>29,000</u>	<u>127,375</u>	<u>2,868,312</u>	<u>3,024,687</u>
Net book value				
At 31 December 2021	<u>3,671,000</u>	<u>67,413</u>	<u>276,847</u>	<u>4,015,260</u>
At 31 December 2020	<u>2,833,750</u>	<u>86,453</u>	<u>189,665</u>	<u>3,109,868</u>

Cost or valuation at 31 December 2021 is represented by:

	Freehold property £	Improvements to property £	Other fixed assets £	Totals £
Valuation in 2009	1,515,121	-	-	1,515,121
Valuation in 2021	700,000	-	-	700,000
Cost	<u>1,484,879</u>	<u>194,788</u>	<u>3,145,159</u>	<u>4,824,826</u>
	<u>3,700,000</u>	<u>194,788</u>	<u>3,145,159</u>	<u>7,039,947</u>

If the land and buildings had not been revalued they would have been included at the following historical cost:

	2021 £	2020 £
Cost	<u>1,484,879</u>	<u>1,484,879</u>
Aggregate depreciation	<u>455,385</u>	<u>425,687</u>
Value of land in freehold land and buildings	<u>1,029,494</u>	<u>1,059,192</u>

Included in freehold property is freehold land and moorings at a valuation of £2,250,000 (original cost £4,700) which is not depreciated.

6. **Stocks**

	2021 £	2020 £
Stocks	72,329	77,134
Work-in-progress	<u>30,519</u>	<u>-</u>
	<u>102,848</u>	<u>77,134</u>

Notes to the Financial Statements - continued
for the year ended 31 December 2021

7. Debtors: amounts falling due within one year

	2021	2020
	£	£
Trade debtors	94,658	104,693
Amounts owed by group undertakings	134,382	1,275,658
Other debtors	280	47,107
Prepayments and accrued income	60,118	-
	<u>289,438</u>	<u>1,427,458</u>

8. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts (see note 10)	109,683	882,732
Trade creditors	119,255	92,824
Amounts owed to group undertakings	-	8,787,486
Tax	850	-
Social security and other taxes	14,481	17,251
VAT	8,438	26,919
Other creditors	8,343	18,174
Accruals and deferred income	82,583	114,584
	<u>343,633</u>	<u>9,939,970</u>

9. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans (see note 10)	501,994	-
Amounts owed to group undertakings	167,960	17,882
Other creditors	555,995	340,000
	<u>1,225,949</u>	<u>357,882</u>

10. Loans

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank loans	109,683	713,562
Bank overdrafts	-	169,170
	<u>109,683</u>	<u>882,732</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>501,994</u>	<u>-</u>

Bank facilities of £611,677 (2020 £882,732) are secured over the industrial premises, debentures and bank balances of the Company along with a cross guarantee with Broom Marine Group Limited.

Notes to the Financial Statements - continued
for the year ended 31 December 202111. **Leasing agreements**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	3,251	3,251
Between one and five years	1,480	4,731
	<u>4,731</u>	<u>7,982</u>

12. **Provisions for liabilities**

	2021 £	2020 £
Deferred tax	<u>175,000</u>	<u>-</u>

Deferred tax
£

Provided during year	175,000
Balance at 31 December 2021	<u>175,000</u>

13. **Called up share capital**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
58,210	Ordinary	£1	<u>58,210</u>	<u>58,210</u>

14. **Reserves**

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 January 2021	(8,117,948)	445,376	1,936,563	(5,736,009)
Profit for the year	7,736,215			7,736,215
Property revaluation	-	-	691,250	691,250
At 31 December 2021	<u>(381,733)</u>	<u>445,376</u>	<u>2,627,813</u>	<u>2,691,456</u>

15. **Disclosure under Section 444(5B) of the Companies Act 2006**

The Report of the Auditors was unqualified.

Ian Gorsuch (Senior Statutory Auditor)
for and on behalf of Haines Watts Essex LLP16. **Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge for the year was £30,210 (2020 £40,098). £3,418 (2020 £3,555) contributions were payable to the fund at the balance sheet date.

17. **Related party disclosures**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

At the year end £555,995 was due to directors (2020: £340,000).

18. **Ultimate controlling party**

M Scott Property Group (incorporated in UK) is regarded by the directors as being the company's ultimate parent company.

The ultimate controlling party is M Scott.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.