

Financial Statements
for the Period 1 January 2022 to 30 June 2023
for
BROOM BOATS LIMITED

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for the period 1 January 2022 to 30 June 2023**

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BROOM BOATS LIMITED

Company Information for the period 1 January 2022 to 30 June 2023

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:

Cooper Parry Group Limited
Statutory Auditor
Juniper House
Warley Hill Business Park
The Drive
Brentwood
Essex
CM13 3BE

BROOM BOATS LIMITED (REGISTERED NUMBER: 01147080)

**Balance Sheet
30 June 2023**

	Notes	2023 £	£	2021 £	£
Fixed assets					
Intangible assets	4		55,643		5,550
Tangible assets	5		<u>4,925,052</u>		<u>4,015,260</u>
			4,980,695		4,020,810
Current assets					
Stocks	6	66,825		102,848	
Debtors	7	359,001		289,438	
Cash at bank and in hand		<u>29,407</u>		<u>81,152</u>	
		455,233		473,438	
Creditors					
Amounts falling due within one year	8	<u>2,070,894</u>		<u>343,633</u>	
Net current (liabilities)/assets			(1,615,661)		129,805
Total assets less current liabilities			3,365,034		4,150,615
Creditors					
Amounts falling due after more than one year	9		(1,489,023)		(1,225,949)
Provisions for liabilities	12		(175,000)		(175,000)
Net assets			<u>1,701,011</u>		<u>2,749,666</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		2,627,813
Retained earnings	14		<u>(1,430,388)</u>		<u>(381,733)</u>
Shareholders' funds			<u>1,701,011</u>		<u>2,749,666</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 21 December 2023 and were signed on its behalf by:

M R Scott - Director

**Notes to the Financial Statements
for the period 1 January 2022 to 30 June 2023**

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.

The length of the reporting period has been extended to 30 June 2023, an 18 month period. The comparatives include a 12 month period to 31 December 2021 and are therefore not entirely comparable.

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 £455,629 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 means 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 30 June 2023 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.

Notes to the Financial Statements - continued
for the period 1 January 2022 to 30 June 2023

2. Accounting policies - continued

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2022, is being amortised evenly over its estimated useful life of fifty years.

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 by 2% 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.

**Notes to the Financial Statements - continued
for the period 1 January 2022 to 30 June 2023**

2. Accounting policies - continued

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Taxation

Taxation for the period 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.

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 period 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 period was 23 (2021 - 31) .

Notes to the Financial Statements - continued
for the period 1 January 2022 to 30 June 2023

4. Intangible fixed assets

	Goodwill £	Trademarks £	Totals £
Cost			
At 1 January 2022	-	5,550	5,550
Additions	51,000	-	51,000
At 30 June 2023	<u>51,000</u>	<u>5,550</u>	<u>56,550</u>
Amortisation			
Amortisation for period	907	-	907
At 30 June 2023	<u>907</u>	<u>-</u>	<u>907</u>
Net book value			
At 30 June 2023	<u>50,093</u>	<u>5,550</u>	<u>55,643</u>
At 31 December 2021	<u>-</u>	<u>5,550</u>	<u>5,550</u>

5. Tangible fixed assets

	Freehold property £	Improvements to property £	Other fixed assets £	Totals £
Cost or valuation				
At 1 January 2022	3,700,000	194,788	3,145,159	7,039,947
Additions	482,227	317,000	347,942	1,147,169
Disposals	-	-	(1,311,208)	(1,311,208)
At 30 June 2023	<u>4,182,227</u>	<u>511,788</u>	<u>2,181,893</u>	<u>6,875,908</u>
Depreciation				
At 1 January 2022	29,000	127,375	2,868,312	3,024,687
Charge for period	35,359	29,236	118,935	183,530
Eliminated on disposal	-	-	(1,257,361)	(1,257,361)
At 30 June 2023	<u>64,359</u>	<u>156,611</u>	<u>1,729,886</u>	<u>1,950,856</u>
Net book value				
At 30 June 2023	<u>4,117,868</u>	<u>355,177</u>	<u>452,007</u>	<u>4,925,052</u>
At 31 December 2021	<u>3,671,000</u>	<u>67,413</u>	<u>276,847</u>	<u>4,015,260</u>

Cost or valuation at 30 June 2023 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>1,967,106</u>	<u>511,788</u>	<u>2,181,893</u>	<u>4,660,787</u>
	<u>4,182,227</u>	<u>511,788</u>	<u>2,181,893</u>	<u>6,875,908</u>

Notes to the Financial Statements - continued
for the period 1 January 2022 to 30 June 20235. **Tangible fixed assets - continued**

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

	2023 £	2021 £
Cost	<u>1,484,879</u>	<u>1,484,879</u>
Aggregate depreciation	<u>499,790</u>	<u>455,385</u>
Value of land in freehold land and buildings	<u>985,089</u>	<u>1,029,494</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**

	2023 £	2021 £
Stocks	60,896	72,329
Work-in-progress	<u>5,929</u>	<u>30,519</u>
	<u>66,825</u>	<u>102,848</u>

7. **Debtors: amounts falling due within one year**

	2023 £	2021 £
Trade debtors	118,041	94,658
Amounts owed by group undertakings	140,894	134,382
Other debtors	-	280
Prepayments and accrued income	<u>100,066</u>	<u>60,118</u>
	<u>359,001</u>	<u>289,438</u>

8. **Creditors: amounts falling due within one year**

	2023 £	2021 £
Bank loans and overdrafts (see note 10)	546,019	109,683
Trade creditors	98,525	119,255
Amounts owed to group undertakings	1,043,443	-
Tax	-	850
Social security and other taxes	23,745	14,481
VAT	76,571	8,438
Other creditors	13,949	8,343
Accruals and deferred income	<u>268,642</u>	<u>82,583</u>
	<u>2,070,894</u>	<u>343,633</u>

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

	2023 £	2021 £
Bank loans (see note 10)	-	501,994
Amounts owed to group undertakings	168,028	167,960
Other creditors	<u>1,320,995</u>	<u>555,995</u>
	<u>1,489,023</u>	<u>1,225,949</u>

Notes to the Financial Statements - continued
for the period 1 January 2022 to 30 June 202310. **Loans**

An analysis of the maturity of loans is given below:

	2023 £	2021 £
Amounts falling due within one year or on demand:		
Bank loans	455,629	109,683
Bank overdrafts	90,390	-
	<u>546,019</u>	<u>109,683</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	-	501,994

Bank facilities of £455,629 (2021: £611,677) are secured over the industrial premises, debentures and bank balances of the Company along with a cross guarantee with Broom Marine Group Limited.

Some of the Company's bank loan agreements are subject to covenant clauses, whereby the Company is required to meet certain key financial ratios. The Company did not fulfill the profit before interest and tax / interest charge ratio or the tangible net worth increase as required. Due to this breach of the covenant clause, the bank is contractually entitled to request immediate repayment of the outstanding loan of £455,629. The outstanding balance is presented as a current liability as at 30 June 2023..

The bank has not requested early repayment of the loan as of the date these financial statements were approved by the Board of Directors.

11. **Leasing agreements**

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

	2023 £	2021 £
Within one year	830	3,251
Between one and five years	-	1,480
	<u>830</u>	<u>4,731</u>

12. **Provisions for liabilities**

	2023 £	2021 £
Deferred tax	<u>175,000</u>	<u>175,000</u>
		Deferred tax
		£
Balance at 1 January 2022		<u>175,000</u>
Balance at 30 June 2023		<u>175,000</u>

13. **Called up share capital**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2021 £
58,210	Ordinary	£1	<u>58,210</u>	<u>58,210</u>

Notes to the Financial Statements - continued
for the period 1 January 2022 to 30 June 2023

14. Reserves

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 January 2022	(381,733)	445,376	2,627,813	2,691,456
Deficit for the period	(1,048,655)			(1,048,655)
At 30 June 2023	<u>(1,430,388)</u>	<u>445,376</u>	<u>2,627,813</u>	<u>1,642,801</u>

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

The Report of the Auditors was unqualified.

Jim Shroff (Senior Statutory Auditor)
for and on behalf of Cooper Parry Group Limited

16. 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 £30,903 (2021: £30,210). £4,326 (2021: £3,418) 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 £1,320,995 was due to directors (2021: £555,995).

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.