

# Brooks Bros (Midlands) Limited

## FINANCIAL STATEMENTS

for the year ended

31 December 2012

Company Registration No 02359574

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# Brooks Bros (Midlands) Limited

## COMPANY INFORMATION

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DIRECTORS	N A McKenna M Sherriff G I Stentford M Fleming
SECRETARY	N D Sheffield
COMPANY NUMBER	02359574
REGISTERED OFFICE	Willow Road Lenton Lane Nottingham NG7 2PR
AUDITORS	Baker Tilly UK Audit LLP Marlborough House Victoria Road South Chelmsford Essex CM1 1LN
BANKERS	The Co-operative Bank plc PO Box 82 118-120 Colmore Row Birmingham B3 3BA
SOLICITORS	Eversheds 1 Royal Standard Place Nottingham NG1 6FZ

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# Brooks Bros (Midlands) Limited

## DIRECTORS' REPORT

For the year ended 31 December 2012

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The directors present their report and financial statements for the year ended 31 December 2012

### PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of the supply and machining of timber and the supply of flooring products. There have not been any significant changes in this principal activity in the year under review.

### REVIEW OF THE BUSINESS

As shown in the company's profit and loss account on page 6, the profit for the year of £296,597 (2011: £466,215) has been transferred to reserves.

The balance sheet on page 8 of these financial statements shows the company's financial position at the year end.

The directors are satisfied with the company's performance in this year and are confident they have the policies and procedures in place to ensure that the results in the forthcoming year are similar, if not better, than those achieved in 2012.

The directors believe that the company retains the potential to respond positively to the challenges posed by the current economic climate and market conditions and look forward to being able to improve the company's profitability during the forthcoming year.

### PRINCIPAL RISKS AND UNCERTAINTIES

#### Competitive pressure

Competitor pressure is a continuing risk for the company, which could result in it losing sales to its key competitors. The company manages this risk by providing added value services to its customers through a high level of service support as well as a quality product and by maintaining strong relationships with customers.

#### Liquidity risk

The directors consider that the company's banking facilities are adequate going forward. The directors believe that by keeping all the company's liquid assets in one reputable financial institution they are mitigating any risk of financial losses to the company.

#### Foreign currency risk

The foreign currency risk faced by the business is mitigated by hedging with the use of forward contracts.

#### Credit risk

Credit risk arises on financial instruments such as trade debtors and short-term bank deposits. Policies and procedures exist to ensure that the trade debtors have an appropriate credit history and the risk on liquid funds is limited because the counterparts are banks with high credit-rankings assigned by international credit-rating agencies.

# Brooks Bros (Midlands) Limited

## DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2012

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### ENVIRONMENT

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the company's activities. Initiatives designed to minimise the company's impact on the environment include the disposal of waste and safe storage of hazardous substances.

The company operates an Environmental Purchasing Policy for the procurement of timber and timber products. As full members of the Timber Trade Federation (TTF) they are actively involved in the TTF Conduct Assurance Environmental Scheme, and TTF Responsible Purchasing Policy.

The UK Government, through the Central Point of Expertise in Timber (CPET) has legislated that all timber specified on Government contracts must be sourced from legal or legal and sustainable forests. Architects and specifiers in all sectors of the Construction and Joinery Industry are requiring evidence from their suppliers that the timber being used on their contracts is from a sustainable source.

The company has a Programme for the Endorsement of Forest Certification (PEFC), which is a fully accredited scheme which also covers Canadian Standards Association (CSA) and Sustainable Forest Initiative (SFI) schemes. The company also holds full Forest Stewardship Council (FSC) pure, FSC mixed and FSC recycled material. Added to this, the Smartwood Rediscovered Certificate covers reclaimed, recycled and salvaged timber as part of the Rainforest Alliance Programme. This enables the assurances required to provide legal and sustainable timber.

The source of legally verified timbers is backed by the Malaysian Timber Certification Council (MTCC), SGS (independent verification of legal timber) and origine et legalite des bois (OLB) certification and audit systems that provide assurance of the legality and origin of timber and are covered by the company's Forest Products Chain of Custody Certificate.

With the ever increasing market awareness of the importance of legal and sustainable sourcing, the company's purchasing policy is heavily influenced by these environmental responsibilities and the company's products are sourced from proven sustainable growth forests. The company has, through this policy, attained the highest levels of independent accreditation.

### RESULTS AND DIVIDENDS

The results for the year are set out on page 6.

The directors do not recommend the payment of an ordinary dividend (2011 £nil).

### DIRECTORS

The following directors have held office since 1 January 2012:

N A McKenna  
M Sherriff  
G I Stentford  
M Fleming

### AUDITORS

The auditors, Baker Tilly UK Audit LLP, Chartered Accountants, have indicated their willingness to continue in office.

# Brooks Bros (Midlands) Limited

## DIRECTORS' REPORT (CONTINUED)

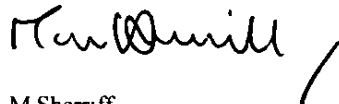
For the year ended 31 December 2012

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### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who are in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

On behalf of the board



M Sherriff

DIRECTOR

4/9/13

# Brooks Bros (Midlands) Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the directors' 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 Accounting 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 those financial statements, the directors are required to

- a. select suitable accounting policies and then apply them consistently,
- b. make judgements and accounting estimates that are reasonable and prudent,
- c. 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROOKS BROS (MIDLANDS) LIMITED

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We have audited the financial statements set out on pages 6 to 19. 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 AUDITORS

As more fully explained in the Directors' Responsibilities Statement set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### 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 2012 and its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

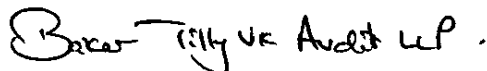
### OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the 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.



JAMES MARCHANT (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Marlborough House

Victoria Road South

Chelmsford

Essex

CM1 1LN

*6th December 2013*

# Brooks Bros (Midlands) Limited

## PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2012

	Notes	2012 £	2011 £
TURNOVER	1	10,073,190	10,671,248
Cost of sales		(7,840,222)	(8,144,838)
GROSS PROFIT		2,232,968	2,526,410
Other operating expenses	2	(1,828,933)	(1,910,895)
OPERATING PROFIT		404,035	615,515
Investment income	3	8,685	17,913
Interest payable and similar charges	4	(42)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	412,678	633,428
Taxation	8	(116,081)	(167,213)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	17	296,597	466,215

The profit for the year arises from the company's continuing operations



# Brooks Bros (Midlands) Limited

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2012

	Notes	2012 £	2011 £
Profit for the financial year		296,597	466,215
Unrealised surplus on revaluation of properties	9	-	138,242
Total recognised gains and losses relating to the year		<u>296,597</u>	<u>604,457</u>

## NOTE OF HISTORICAL COST PROFITS AND LOSSES

For the year ended 31 December 2012

	2012 £	2011 £
Reported profit on ordinary activities before taxation	412,678	633,428
Difference between an historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	26,347	25,301
Historical cost profit on ordinary activities before taxation	<u>439,025</u>	<u>658,729</u>
Historical cost profit for the year retained after taxation, extraordinary items and dividends	<u>322,944</u>	<u>491,516</u>

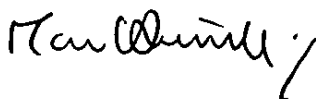
# Brooks Bros (Midlands) Limited

## BALANCE SHEET

As at 31 December 2012

	Notes	2012 £	2011 £
<b>FIXED ASSETS</b>			
Tangible assets	9	2,303,754	2,335,273
Investments	10	2	2
		<u>2,303,756</u>	<u>2,335,275</u>
<b>CURRENT ASSETS</b>			
Stocks	11	1,629,128	1,796,995
Debtors	12	3,340,135	3,501,570
Cash at bank and in hand		438,666	53,935
		<u>5,407,929</u>	<u>5,352,500</u>
<b>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	13	(879,195)	(1,151,882)
<b>NET CURRENT ASSETS</b>		<u>4,528,734</u>	<u>4,200,618</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,832,490</u>	<u>6,535,893</u>
<b>NET ASSETS</b>		<u><u>6,832,490</u></u>	<u><u>6,535,893</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	1,061,511	1,061,511
Share premium account	17	1,139,551	1,139,551
Revaluation reserve	17	811,746	838,093
Profit and loss account	17	3,819,682	3,496,738
<b>SHAREHOLDERS' FUNDS</b>	18	<u><u>6,832,490</u></u>	<u><u>6,535,893</u></u>

The financial statements on pages 6 to 19 were approved by the board of directors and authorised for issue on 4/4/13 and are signed on its behalf by



M Sherriff  
DIRECTOR

# Brooks Bros (Midlands) Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and properties and are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently

### CASH FLOW STATEMENT

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 100 percent of the voting rights are controlled within the group. A consolidated cash flow statement in which Brooks Bros (Midlands) Limited is included is publicly available

### TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers and is recognised on despatch from the company premises

### TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

Freehold land and buildings	Over 30 years
Plant and machinery	10% - 33% straight line
Fixtures, fittings & equipment	10% - 33% straight line
Motor vehicles	10% - 33% straight line

Freehold properties are revalued in accordance with FRS 15 with a full valuation carried out by professionally qualified Chartered Surveyors on an existing use open market basis, in accordance with the Statement of Assets Valuation Practice No 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors every five years and an interim valuation is carried out in year three. The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account

### LEASING

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used

### INVESTMENTS

Fixed asset investments are stated at cost in the company balance sheet

Provision is made for any impairment in the value of fixed asset investments

### STOCK

Stock is valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items

### RETIREMENT BENEFITS

The company contributes to a money purchase pension scheme on behalf of its employees. The scheme is administered by independent pension experts and the assets thereof are held separately from those of the company. Scheme benefits are based on contributions paid by the company and the employees. The company's contributions are charged to the profit and loss account as they arise. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

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# Brooks Bros (Midlands) Limited

## ACCOUNTING POLICIES (CONTINUED)

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### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. No provision has been made for deferred tax gains recognised in revaluing property to its market value as the company does not expect to sell the revalued assets.

### FOREIGN CURRENCY TRANSLATION

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

### GROUP ACCOUNTS

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of George A Sherriff Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

# Brooks Bros (Midlands) Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

	2012	2011
	£	£
CLASS OF BUSINESS		
Timber	8,309,213	8,747,944
Flooring	1,373,741	1,571,298
Light building materials	390,236	352,006
	<u>10,073,190</u>	<u>10,671,248</u>

### 2 OTHER OPERATING EXPENSES

	2012	2011
	£	£
Administrative expenses	<u>1,828,933</u>	<u>1,910,895</u>

### 3 INVESTMENT INCOME

	2012	2011
	£	£
Bank interest	1,265	2,637
Other interest	1,351	890
Interest received from fellow subsidiary	6,069	14,386
	<u>8,685</u>	<u>17,913</u>

### 4 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
On bank loans and overdrafts	9	-
On overdue tax	33	-
	<u>42</u>	<u>-</u>

### 5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2012	2011
	£	£
Profit is stated after charging		
Depreciation of tangible assets	116,299	128,163
Loss on disposal of tangible assets	-	7,415
Operating lease rentals		
- Plant and machinery	205,712	199,387
Auditor's remuneration	15,000	13,250
	<u></u>	<u></u>

Statutory information on remuneration for other services provided by the company's auditors and its associates is given on a consolidated basis in the group accounts of the parent company, George A Sherriff Limited

# Brooks Bros (Midlands) Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

### 6 EMPLOYEES

#### NUMBER OF EMPLOYEES

The average monthly number of employees (including directors) during the year was

	2012 Number	2011 Number
Production	28	27
Sales and distribution	23	24
Administration	8	8
	<u>59</u>	<u>59</u>

#### EMPLOYMENT COSTS

	2012 £	2011 £
Wages and salaries	1,518,471	1,501,370
Social security costs	160,968	160,308
Other pension costs	75,403	87,229
	<u>1,754,842</u>	<u>1,748,907</u>

### 7 DIRECTORS' EMOLUMENTS

	2012 £	2011 £
Emoluments	<u>114,412</u>	<u>105,465</u>

There were no pension contributions made in respect of the directors in either year

# Brooks Bros (Midlands) Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

8	TAXATION	2012 £	2011 £
	UK Corporation tax		
	Current tax on profit of the period	114,787	188,041
	<b>CURRENT TAX CHARGE</b>	<b>114,787</b>	<b>188,041</b>
	DEFERRED TAX		
	Deferred tax charge/(credit)	1,294	(20,828)
	Tax on profit on ordinary activities	116,081	167,213
	<b>FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR</b>		
	The tax assessed for the year is higher than the standard rate of corporation tax (24%) as explained below		
	Profit on ordinary activities before taxation	412,678	633,428
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2011 - 28.00%)	99,043	177,360
	Effects of		
	Non deductible expenses	812	-
	Expensive leased car deduction	-	1,218
	Depreciation for period in excess of capital allowances	13,285	20,386
	Other timing differences	(352)	(228)
	Change in tax rate	2,337	(10,695)
	Marginal relief	(338)	-
		15,744	10,681
	<b>CURRENT TAX CHARGE</b>	<b>114,787</b>	<b>188,041</b>

# Brooks Bros (Midlands) Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

### 9 TANGIBLE FIXED ASSETS

	Freehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>COST OR VALUATION</b>					
At 1 January 2012	1,975,000	966,392	875,119	85,193	3,901,704
Additions	-	35,132	49,648	-	84,780
At 31 December 2012	1,975,000	1,001,524	924,767	85,193	3,986,484
<b>DEPRECIATION</b>					
At 1 January 2012	-	805,875	755,061	5,495	1,566,431
Charge for the year	35,000	28,454	34,599	18,246	116,299
At 31 December 2012	35,000	834,329	789,660	23,741	1,682,730
<b>NET BOOK VALUE</b>					
At 31 December 2012	1,940,000	167,195	135,107	61,452	2,303,754
At 31 December 2011	1,975,000	160,517	120,058	79,698	2,335,273

Freehold land and buildings are held at valuation. All such assets were revalued on 31 December 2011 on the basis of existing use value by Jones Lang LaSalle, Chartered Surveyors. This valuation was incorporated in the balance sheet during the year. Freehold land with a value of £925,000 (2011: £925,000) is not depreciated.

### COMPARABLE HISTORICAL COST FOR THE LAND AND BUILDINGS INCLUDED AT VALUATION

	£
<b>COST</b>	
At 1 January 2012 & at 31 December 2012	1,170,943
<b>DEPRECIATION BASED ON COST</b>	
At 1 January 2012	17,306
Charge for the year	8,653
At 31 December 2012	25,959
<b>NET BOOK VALUE</b>	
At 31 December 2012	1,144,984
At 31 December 2011	1,153,637



# Brooks Bros (Midlands) Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

### 10 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £
COST OR VALUATION	
At 1 January 2012 & at 31 December 2012	2
NET BOOK VALUE	
At 31 December 2012	2
At 31 December 2011	2

#### HOLDINGS OF MORE THAN 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
SUBSIDIARY UNDERTAKINGS			
Fitchett & Woollacott Limited	England	Ordinary	100 00
Sherwood LLC	USA	Ordinary	100 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2012 £	(Loss)/profit for the year 2012 £
	PRINCIPAL ACTIVITY		
Fitchett & Woollacott Limited	Dormant	2	-
Sherwood LLC	Property Investment	(52,797)	(56,592)

### 11 STOCKS

	2012 £	2011 £
Finished goods and goods for resale	1,629,128	1,796,995

# Brooks Bros (Midlands) Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

12 DEBTORS	2012	2011
	£	£
Trade debtors	1,624,091	1,664,033
Amounts owed by group undertakings	1,546,273	1,726,600
Other debtors	-	12
Prepayments and accrued income	161,603	101,463
Deferred tax asset (see note 14)	8,168	9,462
	<u>3,340,135</u>	<u>3,501,570</u>
	<u><u>3,340,135</u></u>	<u><u>3,501,570</u></u>
13 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	2012	2011
	£	£
Bank overdrafts	-	39,402
Trade creditors	472,791	682,800
Amounts owed to parent and fellow subsidiary undertakings	48,927	71,874
Corporation tax	49,801	68,969
Other taxes and social security costs	195,709	194,938
Other creditors	8,439	6,064
Accruals and deferred income	103,528	87,835
	<u>879,195</u>	<u>1,151,882</u>
	<u><u>879,195</u></u>	<u><u>1,151,882</u></u>

# Brooks Bros (Midlands) Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

### 14 PROVISIONS FOR LIABILITIES

THE DEFERRED TAX ASSET (INCLUDED IN DEBTORS, NOTE 12) IS MADE UP AS FOLLOWS

	2012 £
Balance at 1 January 2012	(9,462)
Profit and loss account	1,294
	<hr/>
Balance at 31 December 2012	<u>(8,168)</u>

	2012 £	2011 £
Decelerated capital allowances	(7,333)	(8,186)
Other timing differences	(835)	(1,276)
	<hr/>	<hr/>
	<u>(8,168)</u>	<u>(9,462)</u>

The company's freehold property has been revalued in accordance with FRS 15, Tangible Fixed Assets. It is the company's intention to retain the property for the foreseeable future. No deferred tax has been provided on the gains from the revaluation as such tax would only become payable if sold without rollover relief being obtained. The tax which would be payable in such circumstances is estimated to be £Nil (2011: £Nil).

### 15 PENSION COSTS

#### DEFINED CONTRIBUTION

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £75,403 (2011: £87,229). Contributions totalling £6,552 (2011: £5,103) were payable to the fund at the year end and are included in other creditors.

### 16 SHARE CAPITAL

	2012 £	2011 £
ALLOTTED, CALLED UP AND FULLY PAID		
1,061,511 Ordinary shares of £1 each	<u>1,061,511</u>	<u>1,061,511</u>
EQUITY SHARES		
1,061,511 Ordinary shares of £1 each	<u>1,061,511</u>	<u>1,061,511</u>

# Brooks Bros (Midlands) Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

### 17 RESERVES

	Share premium account	Revaluation reserve	Profit and loss account
	£	£	£
Balance at 1 January 2012	1,139,551	838,093	3,496,738
Profit for the year	-	-	296,597
Depreciation written back	-	(26,347)	26,347
Balance at 31 December 2012	1,139,551	811,746	3,819,682

The revaluation reserve balance relates solely to the freehold property held at the balance sheet date

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2012 £	2011 £
Profit for the financial year	296,597	466,215
Other recognised gains and losses	-	138,242
Net addition to shareholders' funds	296,597	604,457
Opening shareholders' funds	6,535,893	5,931,436
Closing shareholders' funds	6,832,490	6,535,893

### 19 CONTINGENT LIABILITIES

The company is contingently liable for £70,000 (2011 £nil) in respect of an HM Revenue and Customs duty deferral guarantee given to enable release of imports prior to payment of duty

### 20 FINANCIAL COMMITMENTS

At 31 December 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2013

	Other 2012 £	2011 £
Operating leases which expire		
Within one year	38,068	15,047
Between two and five years	143,132	151,465
In over five years	20,800	-
	202,000	166,512

# Brooks Bros (Midlands) Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

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21	CAPITAL COMMITMENTS	2012	2011
		£	£

At 31 December 2012 the company had capital commitments as follows

Contracted for but not provided in the financial statements	-	35,000
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## 22 CONTROL

The immediate and ultimate parent undertaking is George A Sherriff Limited, a company incorporated within England & Wales. This company prepares consolidated accounts which are publicly available and this is the smallest and largest group for which consolidated accounts are prepared. George A Sherriff Limited's audited accounts are available from Companies House.

Mr G A Sherriff is considered to be the ultimate controlling party due to his shareholding in George A Sherriff Limited.

## 23 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies that are wholly owned.

## 24 PURCHASE OF SUBSIDIARY UNDERTAKING

In the previous year, the company acquired 100% of the ordinary share capital of Sherwood LLC for a total consideration of £Nil, upon incorporation of the company.