

**BROOKS BROS (MIDLANDS) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**



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COMPANIES HOUSE

# BROOKS BROS (MIDLANDS) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	N A McKenna M Sherriff M Fleming M J Hall (Appointed 1 April 2015)
<b>Secretary</b>	Mr R W Dawkes
<b>Company number</b>	02359574
<b>Registered office</b>	Blackwater Place The Causeway Maldon Essex CM9 4GG
<b>Auditor</b>	Croucher Needham (Essex) LLP Market House 10 Market Walk Saffron Walden Essex CB10 1JZ
<b>Bankers</b>	The Co-operative Bank PO Box 82 118-120 Colmore Row Birmingham B3 3BA

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# **BROOKS BROS (MIDLANDS) LIMITED**

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# **BROOKS BROS (MIDLANDS) LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present the strategic report for the year ended 31 December 2015.

### **Fair review of the business**

Turnover and profit are in line with expectations during 2015. The directors are satisfied with the company's performance in this year.

Following the year end, in April 2016, the trade and assets, excluding property, of Brooks Bros (Midlands) Limited were acquired by Brooks Bros (UK) Limited.

### **Principal risks and uncertainties**

The directors have considered competitive pressure, liquidity risk, foreign currency risk and credit risk and, in light of the subsequent decision to dispose of the trade and assets to Brooks Bros (UK) Limited, these are not considered to be a significant risk to the business.

### **Environment**

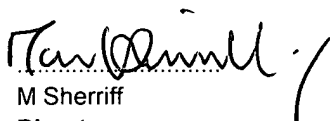
The company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the company's activities. As part of these responsibilities the company continues to develop a methodology to assist with its compliance with EU Timber Regulations. 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 Policy for the procurement of timber and timber products. As members of the UK Timber Trade Federation (TTF), it complies with the federation's Responsible Purchasing Policy, committing to continuously increasing the proportion of certified timber it purchases and reporting progress annually. The UK Government has legislated that all timber specified on Government contracts must be sourced from legal sustainable forests. Architects and specifiers in the construction and joinery industries are required to provide evidence to demonstrate this.

The company is FSC and PEFC certified which enables the company to trade timber and timber products with credible sustainability claims. Additionally it is BM Traded Forest Products Chain of Custody certified, enabling the trade of legally verified timber with Bureau Veritas OLB and SGS TLTV claims.

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.

On behalf of the board

  
M Sherriff  
Director  
30/9/16

# **BROOKS BROS (MIDLANDS) LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present their annual report and financial statements for the year ended 31 December 2015.

#### **Principal activities**

The principal activities of the company are the supply and machining of timber and the supply of flooring products. There have not been any significant changes in the principal activities in the year under review.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

N A McKenna

M Sherriff

M Fleming

M J Hall

(Appointed 1 April 2015)

#### **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 (2014 - £nil).

#### **Auditor**

The auditor, Croucher Needham (Essex) LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of disclosure to auditor**

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 auditors are 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

30/9/16

# **BROOKS BROS (MIDLANDS) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2015***

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The directors are responsible for preparing the annual 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 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;
- 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.

# **BROOKS BROS (MIDLANDS) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BROOKS BROS (MIDLANDS) LIMITED**

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We have audited the financial statements of Brooks Bros (Midlands) Limited for the year ended 31 December 2015 set out on pages 6 to 25. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **BROOKS BROS (MIDLANDS) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF BROOKS BROS (MIDLANDS) LIMITED**

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#### **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.

*Croucher Needham (Essex) LLP*

**Mr James Robert Marchant FCCA (Senior Statutory Auditor)**  
**for and on behalf of Croucher Needham (Essex) LLP**

*30/9/16*

**Chartered Certified Accountants**  
**Statutory Auditor**

Market House  
10 Market Walk  
Saffron Walden  
Essex  
CB10 1JZ



# **BROOKS BROS (MIDLANDS) LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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	Notes	2015 £	2014 £
<b>Turnover</b>	<b>3</b>	11,617,340	11,209,322
Cost of sales		(9,169,713)	(8,774,490)
<b>Gross profit</b>		<u>2,447,627</u>	<u>2,434,832</u>
Administrative expenses		(2,398,411)	(1,993,794)
<b>Operating profit</b>	<b>4</b>	49,216	441,038
Interest receivable and similar income	<b>8</b>	8,546	13,789
Interest payable and similar charges	<b>9</b>	(402)	(2,610)
<b>Profit before taxation</b>		<u>57,360</u>	<u>452,217</u>
Taxation	<b>10</b>	(13,350)	(103,456)
<b>Profit for the financial year</b>		<u>44,010</u>	<u>348,761</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

**BROOKS BROS (MIDLANDS) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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	2015 £	2014 £
Profit for the year	44,010	348,761
Other comprehensive income	-	-
Total comprehensive income for the year	<u>44,010</u>	<u>348,761</u>

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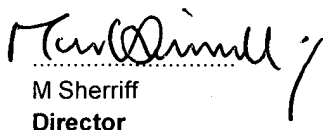
# BROOKS BROS (MIDLANDS) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	11	2,412,376		2,360,532	
Investments	12	2		2	
		<u>2,412,378</u>		<u>2,360,534</u>	
<b>Current assets</b>					
Stocks	14	2,157,123		2,060,444	
Debtors	15	3,414,441		3,582,633	
Cash at bank and in hand		836,707		567,408	
		<u>6,408,271</u>		<u>6,210,485</u>	
<b>Creditors: amounts falling due within one year</b>	16	(1,336,505)		(1,130,885)	
<b>Net current assets</b>		<u>5,071,766</u>		<u>5,079,600</u>	
<b>Total assets less current liabilities</b>		<u>7,484,144</u>		<u>7,440,134</u>	
<b>Provisions for liabilities</b>	18	(5,119)		(5,119)	
<b>Net assets</b>		<u>7,479,025</u>		<u>7,435,015</u>	
<b>Capital and reserves</b>					
Called up share capital	20	1,061,511		1,061,511	
Share premium account		1,139,551		1,139,551	
Profit and loss reserves		5,277,963		5,233,953	
<b>Total equity</b>		<u>7,479,025</u>		<u>7,435,015</u>	

The financial statements were approved by the board of directors and authorised for issue on 30/9/2016 and are signed on its behalf by:

  
M Sherriff  
Director

Company Registration No. 02359574

# BROOKS BROS (MIDLANDS) LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2014</b>		1,061,511	1,139,551	785,399	4,099,793	7,086,254
Effect of change in accounting policy		-	-	(759,052)	759,052	-
<b>As restated</b>		1,061,511	1,139,551	26,347	4,858,845	7,086,254
<b>Year ended 31 December 2014:</b>						
Profit and total comprehensive income for the year		-	-	-	348,761	348,761
Transfers		-	-	(26,347)	26,347	-
<b>Balance at 31 December 2014</b>		1,061,511	1,139,551	-	5,233,953	7,435,015
<b>Year ended 31 December 2015:</b>						
Profit and total comprehensive income for the year		-	-	-	44,010	44,010
<b>Balance at 31 December 2015</b>		1,061,511	1,139,551	-	5,277,963	7,479,025

# **BROOKS BROS (MIDLANDS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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### **1 Accounting policies**

#### **Company information**

Brooks Bros (Midlands) Limited is a company limited by shares incorporated in England and Wales. The registered office is Blackwater Place, The Causeway, Maldon, Essex, CM9 4GG.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of Brooks Bros (Midlands) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 26.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;

The financial statements of the company are consolidated in the financial statements of George A. Sherriff Limited. These consolidated financial statements are available from its registered office.

#### **1.2 Going concern**

The trade and assets of Brooks Bros. (Midlands) were acquired by Brooks Bros. (UK) Limited, a fellow subsidiary company of George A Sherriff Limited, following the year end in April 2016. The directors have continued to prepare the accounts on a going concern basis as the company could recommence trading at any point.

#### **1.3 Turnover**

Turnover represents the invoiced value, net of Value Added Tax, of goods and services provided to customers and is recognised on dispatch from the company's premises.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# **BROOKS BROS (MIDLANDS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2015**

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#### **1 Accounting policies**

##### **1.4 Tangible fixed assets**

The company has taken advantage of transitional provisions for freehold land and buildings' deemed cost to be its previously revalued amount.

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

##### **1.5 Fixed asset investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### **1.6 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# **BROOKS BROS (MIDLANDS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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### **1 Accounting policies**

#### **1.7 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### **1.8 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **1.9 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# **BROOKS BROS (MIDLANDS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2015**

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#### **1 Accounting policies**

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.



# **BROOKS BROS (MIDLANDS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2015**

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#### **1 Accounting policies**

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.11 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

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.

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.

#### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.13 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 of the scheme 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.

# BROOKS BROS (MIDLANDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 1 Accounting policies

##### 1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

##### 1.15 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.

##### 1.16 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.

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2015 £	2014 £
<b>Turnover</b>		
Sale of timber and building materials	<u>11,617,340</u>	<u>11,209,322</u>
<b>Other significant revenue</b>		
Interest income	<u>8,546</u>	<u>13,789</u>
<b>Turnover analysed by geographical market</b>		
	2015 £	2014 £
United Kingdom	<u>11,617,340</u>	<u>11,209,322</u>

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# BROOKS BROS (MIDLANDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 4 Operating profit

	2015	2014
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	13,650	16,180
Depreciation of owned tangible fixed assets	121,014	124,310
Cost of stocks recognised as an expense	9,169,713	8,773,697
Operating lease charges	265,819	243,663

### 5 Auditor's remuneration

	2015	2014
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the company's financial statements	13,650	16,180

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015 Number	2014 Number
Production	32	32
Sales and distribution	23	23
Administration	7	7
	62	62

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	2,093,255	1,759,846
Social security costs	231,756	180,984
Pension costs	71,040	69,370
	2,396,051	2,010,200

# BROOKS BROS (MIDLANDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 7 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	<u>604,226</u>	<u>190,088</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2014 – nil).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>416,018</u>	<u>122,339</u>
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### 8 Interest receivable and similar income

	2015 £	2014 £
<b>Interest income</b>		
Interest on bank deposits	4,551	765
Interest receivable from group companies	3,995	12,070
Other interest income	-	954
Total income	<u>8,546</u>	<u>13,789</u>

### 9 Interest payable and similar charges

	2015 £	2014 £
Interest on bank overdrafts and loans	<u>402</u>	<u>2,610</u>

### 10 Taxation

	2015 £	2014 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	<u>13,350</u>	<u>102,530</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>-</u>	<u>926</u>
Total tax charge	<u>13,350</u>	<u>103,456</u>

# BROOKS BROS (MIDLANDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 10 Taxation

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2015 £	2014 £
Profit before taxation	57,360	452,217
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 21.00%)	11,472	94,968
Tax effect of expenses that are not deductible in determining taxable profit	1,207	-
Tax effect of income not taxable in determining taxable profit	-	(8,240)
Effect of change in corporation tax rate	1,271	2,353
Permanent capital allowances in excess of depreciation	(600)	13,540
Other non-reversing timing differences	-	(7)
Tax at marginal rate	-	(84)
Deferred tax movement	-	926
Tax expense for the year	13,350	103,456

#### 11 Tangible fixed assets

	Freehold buildings £	Plant and machinery £	Fixtures, Motor vehicles fittings and equipment £	£	Total £
<b>Cost</b>					
At 1 January 2015	1,975,000	1,122,345	1,126,056	36,193	4,259,594
Additions	-	74,338	98,520	-	172,858
At 31 December 2015	1,975,000	1,196,683	1,224,576	36,193	4,432,452
<b>Depreciation and impairment</b>					
At 1 January 2015	105,000	897,026	878,390	18,646	1,899,062
Depreciation charged in the year	35,000	37,842	43,340	4,832	121,014
At 31 December 2015	140,000	934,868	921,730	23,478	2,020,076
<b>Carrying amount</b>					
At 31 December 2015	1,835,000	261,815	302,846	12,715	2,412,376
At 31 December 2014	1,870,000	225,319	247,666	17,547	2,360,532

# BROOKS BROS (MIDLANDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 12 Fixed asset investments

	Notes	2015 £	2014 £
Investments in subsidiaries	13	<u>2</u>	<u>2</u>

#### Movements in fixed asset investments

	Shares in group undertakings
	£
<b>Cost or valuation</b>	
At 1 January 2015 & 31 December 2015	<u>2</u>
<b>Carrying amount</b>	
At 31 December 2015	<u>2</u>
At 31 December 2014	<u>2</u>

### 13 Subsidiaries

Details of the company's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Fitchett & Woollacott Limited	United Kingdom	Dormant	100.00	
Sherwood LLC	United States of America	Investment holding company	100.00	

### 14 Stocks

	2015 £	2014 £
Raw materials and consumables	<u>2,157,123</u>	<u>2,060,444</u>

# BROOKS BROS (MIDLANDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 15 Debtors

	2015	2014
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	1,662,544	1,555,461
Amounts due from fellow group undertakings	1,570,513	1,840,429
Other debtors	5,119	9,411
Prepayments and accrued income	176,265	177,332
	<u>3,414,441</u>	<u>3,582,633</u>

### 16 Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	433,464	632,786
Amounts due to group undertakings	86,361	2
Corporation tax	13,374	102,530
Other taxation and social security	232,698	200,497
Other creditors	21,950	21,363
Accruals and deferred income	548,658	173,707
	<u>1,336,505</u>	<u>1,130,885</u>

### 17 Provisions for liabilities

	2015	2014
	£	£
Deferred tax liabilities	5,120	5,119
	<u>5,120</u>	<u>5,119</u>

### 18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities
	2015	2014
	£	£
<b>Balances:</b>		
ACAs	<u>5,120</u>	<u>5,119</u>

There were no deferred tax movements in the year.

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

# BROOKS BROS (MIDLANDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 19 Retirement benefit schemes

	2015	2014
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	71,040	69,370

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £71,040 (2014 - £69,370).

### 20 Share capital

	2015	2014
	£	£
Ordinary share capital		
Issued and fully paid		
1,061,511 Ordinary shares of £1 each	1,061,511	1,061,511

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

### 21 Financial commitments, guarantees and contingent liabilities

The company is contingently liable for £70,000 (2014 - £70,000) in respect of an H M Revenue and Customs duty deferment guarantee given to enable release of imports prior to payment of duty.

### 22 Operating lease commitments

#### Lessee

Operating lease payments represent rentals payable by the company for certain in respect of the hire/rental of motor vehicles. At the year end date, the bulk of outstanding lease rental periods were in the region of 2-3 years.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015	2014
	£	£
Within one year	223,290	184,717
Between two and five years	505,098	366,968
In over five years	57,770	68,131
	786,158	619,816

### 23 Events after the reporting date

Following the year end, in April 2016, the trade and assets, excluding property, of Brooks Bros (Midlands) Limited were acquired by Brooks Bros (UK) Limited.



# **BROOKS BROS (MIDLANDS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2015***

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### **24 Related party transactions**

#### **Transactions with related parties**

The company is exempt from disclosing transactions entered into between members of the same group because the group companies are wholly owned subsidiaries.

### **25 Controlling party**

The immediate and ultimate parent company is George A Sherriff Limited, a company registered in England and Wales. George A Sherriff Limited is the largest and smallest group for which consolidated accounts including Brooks Bros (Midlands) Limited are prepared. Copies are available from Companies House.

The ultimate controlling party is G A Sherriff by virtue of his shareholding in George A Sherriff Limited.

# **BROOKS BROS (MIDLANDS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

### **26 Reconciliations on adoption of FRS 102**

#### **Reconciliation of equity**

		At 1 January 2014				At 31 December 2014		
	Notes	Previous UK GAAP £	Prior year adjustment £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
<b>Fixed assets</b>								
Tangible assets		2,366,310	-	-	2,366,310	2,360,532	-	2,360,532
Investments	2	2	-	-	2	2	-	2
		<u>2,366,312</u>	<u>-</u>	<u>-</u>	<u>2,366,312</u>	<u>2,360,534</u>	<u>-</u>	<u>2,360,534</u>
<b>Current assets</b>								
Stocks		2,004,885	-	-	2,004,885	2,060,444	-	2,060,444
Debtors		3,507,574	-	-	3,507,574	3,582,633	-	3,582,633
Bank and cash		365,133	-	-	365,133	567,408	-	567,408
		<u>5,877,592</u>	<u>-</u>	<u>-</u>	<u>5,877,592</u>	<u>6,210,485</u>	<u>-</u>	<u>6,210,485</u>
<b>Creditors due within one year</b>								
Taxation		(285,186)	-	-	(285,186)	(303,027)	-	(303,027)
Other creditors		(868,271)	-	-	(868,271)	(827,858)	-	(827,858)
		<u>(1,153,457)</u>	<u>-</u>	<u>-</u>	<u>(1,153,457)</u>	<u>(1,130,885)</u>	<u>-</u>	<u>(1,130,885)</u>
<b>Net current assets</b>		<u>4,724,135</u>	<u>-</u>	<u>-</u>	<u>4,724,135</u>	<u>5,079,600</u>	<u>-</u>	<u>5,079,600</u>
<b>Total assets less current liabilities</b>		<u>7,090,447</u>	<u>-</u>	<u>-</u>	<u>7,090,447</u>	<u>7,440,134</u>	<u>-</u>	<u>7,440,134</u>

# **BROOKS BROS (MIDLANDS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

### **26 Reconciliations on adoption of FRS 102**

	Notes	At 1 January 2014			At 31 December 2014		
		Previous UK GAAP £	Prior year adjustment £	Effect of transition £	Previous UK GAAP £	Effect of transition £	FRS 102 £
<b>Provisions for liabilities</b>							
Deferred tax		(4,193)	-	-	(5,119)	-	(5,119)
Net assets		7,086,254	-	-	7,435,015	-	7,435,015
<b>Capital and reserves</b>							
Share capital		1,061,511	-	-	1,061,511	-	1,061,511
Share premium		1,139,551	-	-	1,139,551	-	1,139,551
Revaluation reserve	1	785,399	(759,052)	-	759,052	(759,052)	-
Profit and loss		4,099,793	759,052	-	4,474,901	759,052	5,233,953
Total equity		7,086,254	-	-	7,435,015	-	7,435,015

# BROOKS BROS (MIDLANDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### Reconciliation of profit for the financial period

	Notes	Year ended 31 December 2014		
		Previous UK GAAP £	Effect of transition £	FRS 102 £
Turnover		11,209,322	-	11,209,322
Cost of sales		(8,774,490)	-	(8,774,490)
Gross profit		2,434,832	-	2,434,832
Administrative expenses		(1,993,794)	-	(1,993,794)
Interest receivable and similar income		13,789	-	13,789
Interest payable and similar charges		(2,610)	-	(2,610)
Profit before taxation		452,217	-	452,217
Taxation		(103,456)	-	(103,456)
Profit for the financial period		348,761	-	348,761

### Notes to reconciliations on adoption of FRS 102

#### Revaluation reserve

On conversion to FRS102, the company's investment property revaluation reserve of £759,052 has been combined into the Profit and Loss Account reserve balance. This change has been made by way of a prior period adjustment. This change has no effect on the reported Profit or Loss for either the current or prior years.