

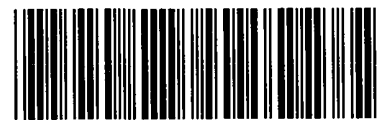
BURT BOULTON & HAYWOOD LIMITED

Company Registration No. 03540326 (England and Wales)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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COMPANIES HOUSE

BURT BOULTON & HAYWOOD LIMITED

COMPANY INFORMATION

Directors	Mr H P Rajasuo	(Appointed 2 February 2015)
	Mr A P Mononen	(Appointed 2 February 2015)
	Mr J Monni	(Appointed 2 February 2015)
	Mr P O I Mononen	(Appointed 2 February 2015)
	Mr O Hulleberg	(Appointed 2 February 2015)
	J P K Nousiainen	(Appointed 2 February 2015)
Secretary	Mr O Hulleberg	
Company number	03540326	
Registered office	Alexandra Docks Newport Gwent NP20 2WA	
Auditors	Dyke Yaxley Limited 1 Brassey Road Old Potts Way Shrewsbury Shropshire SY3 7FA	

BURT BOULTON & HAYWOOD LIMITED

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BURT BOULTON & HAYWOOD LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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

Fair review of the business

The company has experienced a strong performance in the year. This has principally been driven by increased demand in the utility sector and better profitability due to development actions taken.

The company had net current assets of £4,538,865 at 31 December 2015 which is a 38.5% increase on the prior year net current assets balance of £3,277,000.

We anticipate that volumes across business streams will change in 2016 to some extent. Demand for power transmission poles will decrease, but the demand for telecommunication poles and treated timber products will remain strong.

BBH is owned 100% by Scanpole BBH Limited, which is part of the Iivari Mononen Group.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition and future legislation relating to the Biocidal Products (preservatives) Regulations.

Competition

The company operates in a competitive market, and to reduce this risk the company works with its customers and suppliers to ensure that the company's products meet their needs in order to retain their custom. If necessary the company then adjusts its strategy to better meet the customer's needs.

Future legislation relating to Biocidal Products (preservatives)

The company utilises certain wood preservative products which may be subject to future legislation changes - such legislation includes the Biocidal Products Regulation (BPR). Under the BPR wood preservatives are authorised for a period of 5 to 10 years. One of the preservatives used by the company is classed as 'products for substitution', namely creosote. The company is mitigating this risk by researching alternative wood preservatives that meet BPR criteria as well as researching alternative materials that would be acceptable to the utility sector.

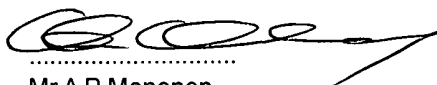
Key performance indicators

Management have identified Key Performance Indicators (KPI's) that are used to drive business performance and to set targets for departments and employees throughout the business that will deliver the desired strategic goals.

The performance indicators used by management to assess performance of the company are turnover and profit on ordinary activities before taxation. The company has recognised turnover of £14,107,499 (2014 £16,384,000) and profit on ordinary activity before tax of £1,620,746 (2014 £462,112).

Burt Boulton & Haywood Limited will distribute dividends of £1,700,000.

On behalf of the board



Mr A P Mononen

Director

18/4/2016

BURT BOULTON & HAYWOOD LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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

Principal activities

The principal activity of the company continued to be that of the manufacture of telegraph and transmission poles and related timber preservation.

Directors

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

Mr H P Rajasuo	(Appointed 2 February 2015)
Mr A P Mononen	(Appointed 2 February 2015)
Mr J Monni	(Appointed 2 February 2015)
Mr P O I Mononen	(Appointed 2 February 2015)
Mr O Hulleberg	(Appointed 2 February 2015)
J P K Nousiainen	(Appointed 2 February 2015)
Mr W Clason	(Resigned 2 February 2015)

Results and dividends

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

No ordinary dividends were paid. The directors recommend payment of a final dividend amounting to £1,700,000.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Auditors

Dyke Yaxley Limited were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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.

BURT BOULTON & HAYWOOD LIMITED

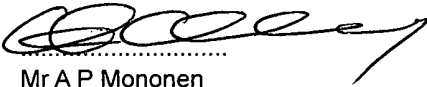
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr A P Mononen

Director

18/4/2016

BURT BOULTON & HAYWOOD LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BURT BOULTON & HAYWOOD LIMITED

We have audited the financial statements of Burt Boulton & Haywood Limited for the year ended 31 December 2015 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. 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 Financial Reporting Standard 102.

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 explained more fully in the Directors' Responsibilities Statement, 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.

BURT BOULTON & HAYWOOD LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BURT BOULTON & HAYWOOD LIMITED

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.

Mr Andrew Young (Senior Statutory Auditor)
for and on behalf of Dyke Yaxley Limited



18 APRIL 2016

Chartered Accountants
Statutory Auditor

1 Brassey Road
Old Potts Way
Shrewsbury
Shropshire
SY3 7FA

BURT BOULTON & HAYWOOD LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	3	14,107,499	16,384,000
Cost of sales		(10,221,163)	(13,341,101)
Gross profit		3,886,336	3,042,899
Distribution costs		(978,240)	(974,144)
Administrative expenses		(1,263,512)	(1,626,104)
Operating profit	4	1,644,584	442,651
Interest receivable and similar income	7	1,532	35,002
Interest payable and similar charges	8	(20,270)	(15,541)
Amounts written off investments	9	(5,100)	-
Profit before taxation		1,620,746	462,112
Taxation	10	(329,648)	(96,112)
Profit for the financial year	23	1,291,098	366,000

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

BURT BOULTON & HAYWOOD LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	£	£
Profit for the year	1,291,098	366,000
	<hr/>	<hr/>
Other comprehensive income		
Actuarial gain/(loss) on defined benefit pension schemes	-	(230,000)
Tax relating to other comprehensive income	-	46,000
	<hr/>	<hr/>
Other comprehensive income for the year	-	(184,000)
	<hr/>	<hr/>
Total comprehensive income for the year	1,291,098	182,000
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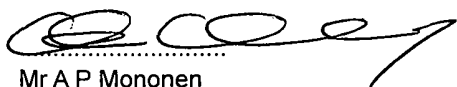
BURT BOULTON & HAYWOOD LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Intangible assets	11		2		2
Tangible assets	12		573,682		953,000
Investments	13		-		5,100
			<u>573,684</u>		<u>958,102</u>
Current assets					
Stocks	14	2,825,886		4,475,000	
Debtors	15	2,123,442		1,855,900	
Cash at bank and in hand		726,390		147,000	
		<u>5,675,718</u>		<u>6,477,900</u>	
Creditors: amounts falling due within one year	16	(1,136,853)		(3,201,000)	
Net current assets			<u>4,538,865</u>		<u>3,276,900</u>
Total assets less current liabilities			<u>5,112,549</u>		<u>4,235,002</u>
Creditors: amounts falling due after more than one year	17		(17,803)		(182,000)
Provisions for liabilities	20		(153,646)		(403,000)
Net assets			<u><u>4,941,100</u></u>		<u><u>3,650,002</u></u>
Capital and reserves					
Called up share capital	22	500,002		8,000,002	
Profit and loss reserves	23	4,441,098		(4,350,000)	
Total equity			<u><u>4,941,100</u></u>		<u><u>3,650,002</u></u>

The financial statements were approved by the board of directors and authorised for issue on 18/4/2016 and are signed on its behalf by:



Mr A P Mononen
Director

Company Registration No. 03540326

BURT BOULTON & HAYWOOD LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2014		8,000,002	(4,532,000)	3,468,002
Period ended 31 December 2014:				
Profit for the year		-	366,000	366,000
Other comprehensive income:				
Actuarial gains on defined benefit plans		-	(230,000)	(230,000)
Tax relating to other comprehensive income		-	46,000	46,000
Total comprehensive income for the year		-	182,000	182,000
Balance at 31 December 2014		8,000,002	(4,350,000)	3,650,002
Period ended 31 December 2015:				
Profit and total comprehensive income for the year		-	1,291,098	1,291,098
Reduction of shares	22	(7,500,000)	-	(7,500,000)
Transfers		-	7,500,000	7,500,000
Balance at 31 December 2015		500,002	4,441,098	4,941,100

BURT BOULTON & HAYWOOD LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from operations	27	705,656		1,756,551	
Interest paid		(20,270)		(15,541)	
Income taxes paid		(161,780)		(117,112)	
Net cash inflow from operating activities		523,606		1,623,898	
Investing activities					
Purchase of tangible fixed assets		(47,942)		56,000	
Proceeds on disposal of tangible fixed assets		599,745		99,100	
Proceeds on disposal of subsidiaries		5,100		-	
Proceeds on disposal of fixed asset investments		(5,100)		-	
Interest received		1,532		2	
Net cash generated from investing activities		553,335		155,102	
Financing activities					
Payment of finance leases obligations		22,449		-	
Net cash generated from/(used in) financing activities		22,449		-	
Net increase in cash and cash equivalents		1,099,390		1,779,000	
Cash and cash equivalents at beginning of year		(373,000)		(2,152,000)	
Cash and cash equivalents at end of year		726,390		(373,000)	
Relating to:					
Cash at bank and in hand		726,390		147,000	
Bank overdrafts included in creditors payable within one year		-		(520,000)	

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Burt Boulton & Haywood Limited is a company limited by shares incorporated in England and Wales. The registered office is Alexandra Docks, Newport, Gwent, NP20 2WA.

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 on 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 Burt Boulton & Haywood 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 31 December 2013. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents	Nil
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No amortisation has been provided in respect of the patents in this year as the current written down value is only £2 and it is felt these patents have at least 2 more years remaining.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	Nil and 20% straight line basis
Plant and machinery	25% straight line basis
Motor vehicles	25% reducing balance basis

Certain freehold properties have not been depreciated on the grounds that in the opinion of the directors freehold properties are maintained in such a state of repair that their residual value is at least equal to their net book value. As a result, the corresponding depreciation would not be material and therefore is not charged in the profit and loss account.

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 recognised in the profit and loss account.

1.6 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.

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

At each reporting 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 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.

1.9 Cash and cash equivalents

Cash and cash equivalents 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.

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.10 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 trade and other receivables 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.

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.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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. The impairment loss 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 when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

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.

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables 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.

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.

Derecognition of financial liabilities

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

1.11 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.

1.12 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.

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.14 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.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

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 £
Turnover		
Pole sales	14,107,499	16,384,000
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	1,532	35,002
	<u> </u>	<u> </u>
Turnover analysed by geographical market		
	2015 £	2014 £
UK	14,107,499	16,384,000
	<u> </u>	<u> </u>

BURT BOULTON & HAYWOOD 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):		
Exchange losses/(gains)	(43,992)	(14,941)
Fees payable to the company's auditors for the audit of the company's financial statements	17,866	21,967
Depreciation of owned tangible fixed assets	185,145	302,965
Profit on disposal of tangible fixed assets	(357,630)	(7,100)
Cost of stocks recognised as an expense	9,441,334	12,364,735
Operating lease charges	8,635	17,668
	<u> </u>	<u> </u>

5 Employees

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

	2015 Number	2014 Number
Production	22	22
Management and administration	8	9
	<u>30</u>	<u>31</u>

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	<u>972,450</u>	<u>907,114</u>

Redundancy payments in the year amount to £1,164 (2014 - £-).

6 Directors' remuneration

	2015 £	2014 £
Pensions to former directors	<u>14,000</u>	<u>-</u>

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

7 Interest receivable and similar income

	2015 £	2014 £
Interest income		
Interest on bank deposits	1,532	2
Interest on the net defined benefit asset	-	35,000
	<u>1,532</u>	<u>35,002</u>
Total income	<u>1,532</u>	<u>35,002</u>

8 Interest payable and similar charges

	2015 £	2014 £
Interest on bank overdrafts and loans	18,014	15,541
Interest on finance leases and hire purchase contracts	2,256	-
	<u>20,270</u>	<u>15,541</u>

9 Amounts written off investments

	2015 £	2014 £
Other gains and losses	(5,100)	-
	<u>(5,100)</u>	<u>-</u>

10 Taxation

	2015 £	2014 £
Current tax		
UK corporation tax on profits for the current period	252,757	96,112
	<u>252,757</u>	<u>96,112</u>
Deferred tax		
Origination and reversal of timing differences	76,891	-
	<u>76,891</u>	<u>-</u>
Total tax charge	<u>329,648</u>	<u>96,112</u>

The applicable corporation tax rate in 2015 is lower than the rate for 2014 due to a fall in the standard corporation tax rate to 20.00% (2014 21.5%).

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

10 Taxation

(Continued)

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2015 £	2014 £
Profit before taxation	1,620,746	462,112
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 21.50%)	324,149	99,354
Tax effect of expenses that are not deductible in determining taxable profit	5,499	(3,242)
Tax expense for the year	329,648	96,112

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2015 £	2014 £
Deferred tax arising on: Actuarial differences recognised as other comprehensive income	-	(46,000)

11 Intangible fixed assets

	Patents £
Cost	
At 1 January 2015 and 31 December 2015	2
Amortisation and impairment	
At 1 January 2015 and 31 December 2015	-
Carrying amount	
At 31 December 2015	2
At 31 December 2014	2

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

12 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2015	1,338,000	3,250,000	-	4,588,000
Additions	-	13,878	34,064	47,942
Disposals	(961,000)	(457,652)	-	(1,418,652)
At 31 December 2015	377,000	2,806,226	34,064	3,217,290
Depreciation and impairment				
At 1 January 2015	914,851	2,720,149	-	3,635,000
Depreciation charged in the year	84,937	91,692	8,516	185,145
Eliminated in respect of disposals	(768,800)	(407,737)	-	(1,176,537)
At 31 December 2015	230,988	2,404,104	8,516	2,643,608
Carrying amount				
At 31 December 2015	146,012	402,122	25,548	573,682
At 31 December 2014	423,149	529,851	-	953,000

13 Fixed asset investments

	Notes	2015 £	2014 £
Investments in subsidiaries		-	5,100

The company has not designated any financial assets that are not classified as financial assets at fair value through profit or loss.

Movements in fixed asset investments

	Shares £
Cost or valuation	
At 31 December 2015	5,100
Disposals	(5,100)
At 31 December 2015	-
Carrying amount	
At 31 December 2015	-
At 31 December 2014	5,100

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

14 Stocks

	2015 £	2014 £
Raw materials and consumables	1,649,589	2,710,000
Finished goods and goods for resale	1,176,297	1,629,000
Payments received on account	-	136,000
	<u>2,825,886</u>	<u>4,475,000</u>

15 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	826,209	1,598,900
Amount due from parent undertaking	1,150,000	-
Other debtors	72,000	80,000
Prepayments and accrued income	75,233	177,000
	<u>2,123,442</u>	<u>1,855,900</u>

Trade debtors disclosed above are measured at amortised cost.

16 Creditors: amounts falling due within one year

	Notes	2015 £	2014 £
Loans and overdrafts	18	-	520,000
Obligations under finance leases	19	4,646	-
Trade creditors		559,347	2,003,000
Amount due to parent undertaking		-	26,000
Corporation tax		175,868	8,000
Other taxation and social security		280,012	456,000
Other creditors		11,495	12,000
Accruals and deferred income		105,485	176,000
		<u>1,136,853</u>	<u>3,201,000</u>

Liabilities due in respect of assets held under hire purchase contracts are secured on the related assets.

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

17 Creditors: amounts falling due after more than one year

	Notes	2015 £	2014 £
Obligations under finance leases	19	17,803	-
Government grants	21	-	182,000
		<u>17,803</u>	<u>182,000</u>

18 Loans and overdrafts

	2015 £	2014 £
Bank overdrafts	-	520,000
	<u>-</u>	<u>520,000</u>
Payable within one year	-	520,000
	<u>-</u>	<u>520,000</u>

The bank overdraft in 2014 was unsecured.

19 Finance lease obligations

	2015 £	2014 £
Future minimum lease payments due under finance leases:		
Within one year	4,646	-
In two to five years	17,803	-
	<u>22,449</u>	<u>-</u>

It is the company's policy to lease certain equipment under finance leases. The average lease term is 3 years. Interest rates are fixed at the contract date. All leases are on fixed repayment basis and no arrangements have been entered into for contingent rental payments.

20 Provisions for liabilities

	2015 £	2014 £
	<u>153,646</u>	<u>403,000</u>

Movements on provisions:

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

(Continued)

20 Provisions for liabilities

	£
At 1 January 2015	403,000
Additional provisions in the year	60,000
Utilisation of provision	(309,354)
At 31 December 2015	<u>153,646</u>

21 Government grants

The company had received money in respect of site relocation costs. This was being released over the life of the relevant fixed assets. These monies were written off in full during the year with the final disposal of the related assets.

22 Share capital

	2015 £	2014 £
Ordinary share capital		
Issued and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
Preference share capital		
Issued and fully paid		
500,000 Preference shares of £1 each	<u>500,000</u>	<u>8,000,000</u>

During the year the company reduced its issued share capital by 7,500,000 under a capital reduction procedure allowed by CA 2006, such sum being credited to distributable reserves.

23 Profit and loss reserves

	2015 £	2014 £
At the beginning of the year	(4,350,000)	(4,532,000)
Profit for the year	1,291,098	366,000
Transfer to reserves	7,500,000	-
Actuarial differences recognised in other comprehensive income	-	(230,000)
Tax on actuarial differences	-	46,000
At the end of the year	<u>4,441,098</u>	<u>(4,350,000)</u>

24 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for certain of its properties and for some vehicles. Leases are negotiated for an average term of 10 years and rentals are fixed for this period with an option to extend for a further 10 years at the prevailing market rate.

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

24 Operating lease commitments

(Continued)

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	198,675	20,000
Between two and five years	4,230	132,000
In over five years	-	255,000
	<u>202,905</u>	<u>407,000</u>

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

25 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2015	2014	2015	2014
	£	£	£	£
Entities with control, joint control or significant influence over the company	938	-	2,390,499	-

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2015	2014
	£	£
Entities with control, joint control or significant influence over the company	121,305	-

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties		Amounts owed by related parties	
	2015		2014	
	Balance	Net	Balance	Net
	£	£	£	£
Entities with control, joint control or significant influence over the company	1,150,000	1,150,000	-	-
	1,150,000	1,150,000	-	-

No guarantees have been given or received.

26 Controlling party

The ultimate parent company is Iivari Mönönen Oy a company incorporated and trading in Finland.

The ultimate parent company Iivari Mönönen Oy prepares accounts for the group. The registered office of the company is Rantakatu 25c, 80100 Joensuu, Finland.

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

27 Cash generated from operations

	2015 £	2014 £
Profit for the year after tax	1,291,098	366,000
Adjustments for:		
Taxation charged	329,648	96,112
Finance costs	20,270	15,541
Investment income	(1,532)	(35,002)
Gain on disposal of tangible fixed assets	(357,630)	(7,100)
Depreciation and impairment of tangible fixed assets	185,145	302,965
Amounts written off investments	5,100	-
Pension scheme non-cash movement	14,000	(82,000)
(Decrease)/increase in provisions	(249,354)	383,000
Movements in working capital:		
Decrease in stocks	1,649,114	297,000
(Increase) in debtors	(281,542)	(309,000)
(Decrease)/increase in creditors	(1,716,661)	821,035
(Decrease) in deferred income	(182,000)	(92,000)
Cash generated from operations	705,656	1,756,551