

**BURT BOULTON & HAYWOOD LIMITED**  
**Company Registration No. 03540326 (England and Wales)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

THURSDAY



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# BURT BOULTON & HAYWOOD LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr A P Mononen Mr J Monni Mr O Hulleberg Mr T Luukkainen	(Appointed 21 September 2017)
<b>Secretary</b>	Mr O Hulleberg	
<b>Company number</b>	03540326	
<b>Registered office</b>	Alexandra Docks Newport Gwent NP20 2WA	
<b>Auditor</b>	Dyke Yaxley Limited 1 Brassey Road Old Potts Way Shrewsbury Shropshire SY3 7FA	

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# **BURT BOULTON & HAYWOOD LIMITED**

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# BURT BOULTON & HAYWOOD LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present the strategic report for the year ended 31 December 2017.

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

The company has experienced a good performance in the year. This has principally been driven by good demand in the utility sector.

The company had net current assets of £2,532,779 at 31 December 2017 which is down on the previous year net current assets balance of £3,646,950.

We anticipate that volumes across business streams will change in 2018 to some extent. Demand for power transmission poles will slightly decrease, but the demand for telecommunication poles and treated timber products will stay strong.

The company is owned 100% by Scapole BBH Ltd, which is a part of the Iivari Mononen Group.

Burt Boulton & Haywood Limited will distribute dividends of £500,000.

### **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)**

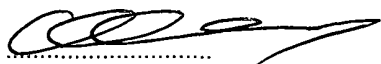
The company utilises certain wood preservative products which may be subject to future legislation changes - such legislation includes the Biocidal Products Regulation (BPR). Under the BPR wood preservatives are authorised for a period of 5 to 10 years. One of the preservatives used by the company is 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 £13,382,208 (2016 £12,981,278) although there was a small loss of £53,560 before tax (2016 profit £1,016,191).

On behalf of the board



Mr A P Mononen

Director

18/4/18

# BURT BOULTON & HAYWOOD LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their annual report and financial statements for the year ended 31 December 2017.

### 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 A P Mononen

Mr J Monni

Mr P O I Mononen

(Resigned 12 April 2017)

Mr O Hulleberg

Mr T Luukkainen

(Appointed 21 September 2017)

### Results and dividends

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

Ordinary dividends were paid amounting to £800,000. The Directors recommend the payment of a further dividend of £500,000.

No preference dividends were paid.

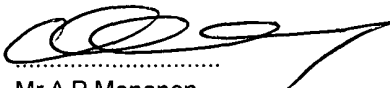
### Auditor

Dyke Yaxley Limited were appointed auditor 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 disclosure to auditor

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 auditor is 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 auditor is aware of that information.

On behalf of the board



Mr A P Mononen

Director

Date: 18/4/18.....

# **BURT BOULTON & HAYWOOD LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

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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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF BURT BOULTON & HAYWOOD LIMITED

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#### Opinion

We have audited the financial statements of Burt Boulton & Haywood Limited (the 'company') for the year ended 31 December 2017 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 notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

# BURT BOULTON & HAYWOOD LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF BURT BOULTON & HAYWOOD LIMITED

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#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

#### Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

**Andrew Young (Senior Statutory Auditor)**  
for and on behalf of Dyke Yaxley Limited  
Chartered Accountants  
Statutory Auditor



19 April 2018

1 Brassey Road  
Old Potts Way  
Shrewsbury  
Shropshire  
SY3 7FA



# BURT BOULTON & HAYWOOD LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

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	Notes	2017 £	2016 £
Turnover	3	13,382,208	12,981,278
Cost of sales		(12,032,739)	(9,971,784)
<b>Gross profit</b>		<b>1,349,469</b>	<b>3,009,494</b>
Distribution costs		(209,096)	(536,474)
Administrative expenses		(1,191,287)	(1,455,749)
<b>Operating (loss)/profit</b>	<b>4</b>	<b>(50,914)</b>	<b>1,017,271</b>
Interest receivable and similar income	6	-	570
Interest payable and similar expenses	7	(2,646)	(1,650)
<b>(Loss)/profit before taxation</b>		<b>(53,560)</b>	<b>1,016,191</b>
Tax on loss/profit	8	(85,007)	(182,458)
<b>(Loss)/profit for the financial year</b>		<b>(138,567)</b>	<b>833,733</b>

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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 2017*

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	2017 £	2016 £
(Loss)/profit for the year	(138,567)	833,733
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(138,567)</u>	<u>833,733</u>

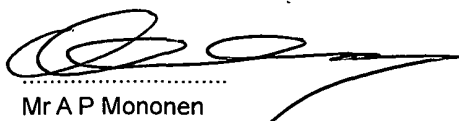
# BURT BOULTON & HAYWOOD LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Intangible assets	10		2		2
Tangible assets	11		713,556		606,184
			<u>713,558</u>		<u>606,186</u>
<b>Current assets</b>					
Stocks	12	2,653,602		2,360,197	
Debtors	13	1,787,169		2,551,122	
Cash at bank and in hand		94,796		467	
		<u>4,535,567</u>		<u>4,911,786</u>	
<b>Creditors: amounts falling due within one year</b>	14	(2,002,788)		(1,264,836)	
<b>Net current assets</b>			<u>2,532,779</u>		<u>3,646,950</u>
<b>Total assets less current liabilities</b>			<u>3,246,337</u>		<u>4,253,136</u>
<b>Creditors: amounts falling due after more than one year</b>	15		-		(13,157)
<b>Provisions for liabilities</b>	18		(110,071)		(165,146)
<b>Net assets</b>			<u>3,136,266</u>		<u>4,074,833</u>
<b>Capital and reserves</b>					
Called up share capital	19		500,002		500,002
Profit and loss reserves	20		2,636,264		3,574,831
<b>Total equity</b>			<u>3,136,266</u>		<u>4,074,833</u>

The financial statements were approved by the board of directors and authorised for issue on 18/4/18 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 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2016</b>		500,002	4,441,098	4,941,100
<b>Year ended 31 December 2016:</b>				
Profit and total comprehensive income for the year		-	833,733	833,733
Dividends	9	-	(1,700,000)	(1,700,000)
<b>Balance at 31 December 2016</b>		500,002	3,574,831	4,074,833
<b>Year ended 31 December 2017:</b>				
Loss and total comprehensive income for the year		-	(138,567)	(138,567)
Dividends	9	-	(800,000)	(800,000)
<b>Balance at 31 December 2017</b>		500,002	2,636,264	3,136,266

# BURT BOULTON & HAYWOOD LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	24	1,410,752		1,536,944	
Interest paid		(2,646)		(1,650)	
Income taxes paid		(60,398)		(432,935)	
<b>Net cash inflow from operating activities</b>		<b>1,347,708</b>		<b>1,102,359</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(354,780)		(219,812)	
Proceeds on disposal of tangible fixed assets		11,137		-	
Interest received		-		570	
<b>Net cash used in investing activities</b>		<b>(343,643)</b>		<b>(219,242)</b>	
<b>Financing activities</b>					
Payment of finance leases obligations		(17,803)		(4,646)	
Dividends paid		(800,000)		(1,700,000)	
<b>Net cash used in financing activities</b>		<b>(817,803)</b>		<b>(1,704,646)</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>186,262</b>		<b>(821,529)</b>	
Cash and cash equivalents at beginning of year		(95,139)		726,390	
<b>Cash and cash equivalents at end of year</b>		<b>91,123</b>		<b>(95,139)</b>	
<b>Relating to:</b>					
Cash at bank and in hand		94,796		467	
Bank overdrafts included in creditors payable within one year		(3,673)		(95,606)	

# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

#### Company information

Burt Boulton & Haywood Limited is a private 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 under the historical cost convention. The principal accounting policies adopted are set out below.

#### 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.

#### 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.

# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 1 Accounting policies

(Continued)

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 credited or charged to profit or loss.

#### 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.

#### 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.

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 at bank and in hand

Cash at bank and in hand 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 balance sheet 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.

# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1 Accounting policies

(Continued)

##### **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 publicly 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.

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

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.

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.

#### 1.10 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.



# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1 Accounting policies

(Continued)

##### 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 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.

##### 1.12 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 in which it arises.

##### 1.13 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.

##### 1.14 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.

##### 1.15 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.

# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 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:

	2017 £	2016 £
<b>Turnover analysed by class of business</b>		
Pole sales	13,382,208	12,981,278

	2017 £	2016 £
<b>Other significant revenue</b>		
Interest income	-	570

	2017 £	2016 £
<b>Turnover analysed by geographical market</b>		
UK	13,382,208	12,981,278

### 4 Operating (loss)/profit

	2017 £	2016 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses	169,374	130,867
Fees payable to the company's auditor for the audit of the company's financial statements	11,813	12,000
Depreciation of owned tangible fixed assets	241,021	187,310
Profit on disposal of tangible fixed assets	(4,750)	-
Cost of stocks recognised as an expense	11,253,368	9,191,127
Operating lease charges	6,870	4,231

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £169,374 (2016 - £130,867).

# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 5 Employees

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

	2017 Number	2016 Number
Production	20	20
Management and administration	9	9
	<u>29</u>	<u>29</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	855,734	944,707
Redundancy payments made or committed	30,243	-

Redundancy payments in the year include £30,243 (2016: £0)

### 6 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Other interest income	-	570

### 7 Interest payable and similar expenses

	2017 £	2016 £
Interest on bank overdrafts and loans	1,856	296
Interest on finance leases and hire purchase contracts	790	1,354
	<u>2,646</u>	<u>1,650</u>

### 8 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	(5,776)	202,904
Adjustments in respect of prior periods	90,783	(20,446)
Total current tax	<u>85,007</u>	<u>182,458</u>

# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 8 Taxation

(Continued)

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

	2017 £	2016 £
(Loss)/profit before taxation	(53,560)	1,016,191
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	(10,712)	203,238
Tax effect of expenses that are not deductible in determining taxable profit	(10,654)	(5,690)
Adjustments in respect of prior years	85,007	(15,090)
Permanent capital allowances in excess of depreciation	21,366	-
Taxation charge for the year	85,007	182,458

### 9 Dividends

	2017 £	2016 £
Final paid	800,000	1,700,000

### 10 Intangible fixed assets

	Patents £
<b>Cost</b>	
At 1 January 2017 and 31 December 2017	2
<b>Amortisation and impairment</b>	
At 1 January 2017 and 31 December 2017	-
<b>Carrying amount</b>	
At 31 December 2017	2
At 31 December 2016	2

# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 11 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2017	377,000	3,026,038	34,064	3,437,102
Additions	-	354,780	-	354,780
Disposals	-	(3,453)	(34,064)	(37,517)
At 31 December 2017	377,000	3,377,365	-	3,754,365
<b>Depreciation and impairment</b>				
At 1 January 2017	255,719	2,558,471	16,728	2,830,918
Depreciation charged in the year	19,535	210,537	10,949	241,021
Eliminated in respect of disposals	-	(3,453)	(27,677)	(31,130)
At 31 December 2017	275,254	2,765,555	-	3,040,809
<b>Carrying amount</b>				
At 31 December 2017	101,746	611,810	-	713,556
At 31 December 2016	121,281	467,567	17,336	606,184

### 12 Stocks

	2017 £	2016 £
Raw materials and consumables	2,616,419	2,082,135
Finished goods and goods for resale	37,183	278,062
	2,653,602	2,360,197

### 13 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	261,255	432,496
Corporation tax recoverable	50,000	74,609
Amounts owed by group undertakings	1,331,690	1,828,497
Other debtors	-	151,951
Prepayments and accrued income	144,224	63,569
	1,787,169	2,551,122

# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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

	Notes	2017 £	2016 £
Bank loans and overdrafts	16	3,673	95,606
Obligations under finance leases	17	-	4,646
Trade creditors		894,439	364,348
Amounts due to group undertakings		24,082	527,735
Other taxation and social security		591,736	222,858
Other creditors		8,022	7,941
Accruals and deferred income		480,836	41,702
		<u>2,002,788</u>	<u>1,264,836</u>

### 15 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Obligations under finance leases	17	-	13,157
		<u>-</u>	<u>13,157</u>

### 16 Loans and overdrafts

	2017 £	2016 £
Bank overdrafts	3,673	95,606
	<u>3,673</u>	<u>95,606</u>
Payable within one year	3,673	95,606
	<u>3,673</u>	<u>95,606</u>

The bank overdraft is unsecured.

### 17 Finance lease obligations

	2017 £	2016 £
Future minimum lease payments due under finance leases:		
Within one year	-	4,646
In two to five years	-	13,157
	<u>-</u>	<u>17,803</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.

# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 18 Provisions for liabilities

	2017 £	2016 £
	110,071	165,146
Movements on provisions:		
		£
At 1 January 2017		165,146
Reversal of provision		(49,902)
Utilisation of provision		(5,173)
At 31 December 2017		110,071

### 19 Share capital

	2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
2 Ordinary shares of £1 each	2	2
	2	2
<b>Preference share capital</b>		
<b>Issued and fully paid</b>		
500,000 Preference shares of £1 each	500,000	500,000
	500,000	500,000

### 20 Profit and loss reserves

	2017 £	2016 £
At the beginning of the year	3,574,831	4,441,098
(Loss)/profit for the year	(138,567)	833,733
Dividends declared and paid in the year	(800,000)	(1,700,000)
At the end of the year	2,636,264	3,574,831

# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 21 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	
	2017	2016	2017	2016
	£	£	£	£
Entities with control, joint control or significant influence over the company	9,061,847	5,785,646	4,653,304	2,941,866
	<u>9,061,847</u>	<u>5,785,646</u>	<u>4,653,304</u>	<u>2,941,866</u>
	<u><u>9,061,847</u></u>	<u><u>5,785,646</u></u>	<u><u>4,653,304</u></u>	<u><u>2,941,866</u></u>
	Services provided		Services purchased	
	2017	2016	2017	2016
	£	£	£	£
Entities with control, joint control or significant influence over the company	926,744	32,046	237,736	281,664
	<u>926,744</u>	<u>32,046</u>	<u>237,736</u>	<u>281,664</u>
	<u><u>926,744</u></u>	<u><u>32,046</u></u>	<u><u>237,736</u></u>	<u><u>281,664</u></u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2017	2016
	£	£
Entities with control, joint control or significant influence over the company	24,082	527,735
	<u>24,082</u>	<u>527,735</u>
	<u><u>24,082</u></u>	<u><u>527,735</u></u>

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties		Amounts owed by related parties	
	2017	2016	2016	2017
	Balance	Net	Balance	Net
	£	£	£	£
Entities with control, joint control or significant influence over the company	1,331,690	1,331,690	1,828,497	1,828,497
	<u>1,331,690</u>	<u>1,331,690</u>	<u>1,828,497</u>	<u>1,828,497</u>
	<u><u>1,331,690</u></u>	<u><u>1,331,690</u></u>	<u><u>1,828,497</u></u>	<u><u>1,828,497</u></u>



# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 21 Related party transactions

(Continued)

No guarantees have been given or received.

### 22 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.

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:

	2017 £	2016 £
Within one year	4,685	1,500
Between two and five years	11,210	-
In over five years	1,491,413	1,704,473
	<u>1,507,308</u>	<u>1,705,973</u>

### 23 Controlling party

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

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

### 24 Cash generated from operations

	2017 £	2016 £
(Loss)/profit for the year after tax	(138,567)	833,733
<b>Adjustments for:</b>		
Taxation charged	85,007	182,458
Finance costs	2,646	1,650
Investment income	-	(570)
Gain on disposal of tangible fixed assets	(4,750)	-
Depreciation and impairment of tangible fixed assets	241,021	187,310
(Decrease)/increase in provisions	(55,075)	11,500
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(293,405)	465,689
Decrease/(increase) in debtors	739,344	(353,071)
Increase in creditors	834,531	208,245
<b>Cash generated from operations</b>	<u>1,410,752</u>	<u>1,536,944</u>