

**BURT BOULTON & HAYWOOD LIMITED**

**Company Registration No. 03540326 (England and Wales)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

# 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
<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 2018**

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The directors present the strategic report for the year ended 31 December 2018.

### **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 £2,458,173 at 31 December 2018 which is down slightly on the previous year net current assets balance of £2,532,779.

We anticipate that volumes across business streams will change in 2019 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 Scanpole BBH Ltd, which is a part of the Iivari Mononen Group.

Burt Boulton & Haywood Limited will distribute dividends of £100,000.

### **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 £11,222,476 (2017 £13,382,208) with a profit before tax of £268,274 compared to a loss in 2017 of £53,560.

On behalf of the board

Mr A P Mononen

**Director**

15 March 2019

# **BURT BOULTON & HAYWOOD LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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The directors present their annual report and financial statements for the year ended 31 December 2018.

### **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 O Hulleberg  
Mr T Luukkainen

### **Results and dividends**

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

Ordinary dividends were paid amounting to £500,000. A final dividend has been proposed of £100,000 in respect of these accounts.

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**  
15 March 2019

## **BURT BOULTON & HAYWOOD LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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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 2018 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 2018 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.

#### 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**

1 April 2019

**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 2018

	Notes	2018 £	2017 £
Turnover	3	11,222,476	13,382,208
Cost of sales		(9,610,918)	(12,032,739)
<b>Gross profit</b>		<b>1,611,558</b>	<b>1,349,469</b>
Distribution costs		(18,683)	(209,096)
Administrative expenses		(1,324,902)	(1,191,287)
<b>Operating profit/(loss)</b>	<b>4</b>	<b>267,973</b>	<b>(50,914)</b>
Interest payable and similar expenses	6	301	(2,646)
<b>Profit/(loss) before taxation</b>		<b>268,274</b>	<b>(53,560)</b>
Tax on profit/(loss)	7	(126,093)	(85,007)
<b>Profit/(loss) for the financial year</b>		<b>142,181</b>	<b>(138,567)</b>

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 2018***

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	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Profit/(loss) for the year</b>	142,181	(138,567)
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>142,181</u>	<u>(138,567)</u>

# BURT BOULTON & HAYWOOD LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Intangible assets	9		-		2
Tangible assets	10		513,249		713,556
			<u>513,249</u>		<u>713,558</u>
<b>Current assets</b>					
Stocks	11	3,544,084		2,653,602	
Debtors	12	350,631		1,787,169	
Cash at bank and in hand		239,879		94,796	
		<u>4,134,594</u>		<u>4,535,567</u>	
<b>Creditors: amounts falling due within one year</b>	13	(1,676,421)		(2,002,788)	
<b>Net current assets</b>			<u>2,458,173</u>		<u>2,532,779</u>
<b>Total assets less current liabilities</b>			<u>2,971,422</u>		<u>3,246,337</u>
<b>Provisions for liabilities</b>	15		(192,975)		(110,071)
<b>Net assets</b>			<u><u>2,778,447</u></u>		<u><u>3,136,266</u></u>
<b>Capital and reserves</b>					
Called up share capital	17	500,002		500,002	
Profit and loss reserves	18	2,278,445		2,636,264	
<b>Total equity</b>			<u><u>2,778,447</u></u>		<u><u>3,136,266</u></u>

The financial statements were approved by the board of directors and authorised for issue on 15 March 2019 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 2018

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 January 2017</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	8	-	(800,000)	(800,000)
<b>Balance at 31 December 2017</b>		500,002	2,636,264	3,136,266
<b>Year ended 31 December 2018:</b>				
Profit and total comprehensive income for the year		-	142,181	142,181
Dividends	8	-	(500,000)	(500,000)
<b>Balance at 31 December 2018</b>		500,002	2,278,445	2,778,447

# BURT BOULTON & HAYWOOD LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

		2018	2017
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	22	609,865	1,410,752
Interest paid		301	(2,646)
Income taxes refunded/(paid)		48,200	(60,398)
<b>Net cash inflow from operating activities</b>		658,366	1,347,708
<b>Investing activities</b>			
Purchase of tangible fixed assets		(9,610)	(354,780)
Proceeds on disposal of tangible fixed assets		-	11,137
<b>Net cash used in investing activities</b>		(9,610)	(343,643)
<b>Financing activities</b>			
Payment of finance leases obligations		-	(17,803)
Dividends paid		(500,000)	(800,000)
<b>Net cash used in financing activities</b>		(500,000)	(817,803)
<b>Net increase in cash and cash equivalents</b>		148,756	186,262
Cash and cash equivalents at beginning of year		91,123	(95,139)
<b>Cash and cash equivalents at end of year</b>		239,879	91,123
<b>Relating to:</b>			
Cash at bank and in hand		239,879	94,796
Bank overdrafts included in creditors payable within one year		-	(3,673)

# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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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.

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.

#### 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 where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset 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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The patents were fully written down this year.

#### 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 2018

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### 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 Leasehold	10% straight line basis
Plant and machinery	25% straight line basis

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.

##### **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.

# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

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 transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.11 Taxation

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

#### **Current tax**

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

# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 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.

#### **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**

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.

### 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.

# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 3 Turnover and other revenue

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

	2018 £	2017 £
<b>Turnover analysed by class of business</b>		
Pole sales	11,222,476	13,382,208

	2018 £	2017 £
<b>Turnover analysed by geographical market</b>		
UK	11,222,476	13,382,208

### 4 Operating profit/(loss)

	2018 £	2017 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange losses	177,481	169,374
Fees payable to the company's auditor for the audit of the company's financial statements	14,095	11,813
Depreciation of owned tangible fixed assets	209,917	241,021
Profit on disposal of tangible fixed assets	-	(4,750)
Amortisation of intangible assets	2	-
Cost of stocks recognised as an expense	8,863,189	11,253,368
Operating lease charges	18,446	6,870

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 £177,481 (2017 - £169,374).

### 5 Employees

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

	2018 Number	2017 Number
Production	17	20
Management and administration	9	9
	26	29

# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 5 Employees (Continued)

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	1,028,279	855,734
Redundancy payments made or committed	16,947	30,243

Redundancy payments in the year include £16,947 (2017: £30,243)

### 6 Interest payable and similar expenses

	2018 £	2017 £
Interest on bank overdrafts and loans	-	1,856
Interest on finance leases and hire purchase contracts	-	790
Other interest	(301)	-
	(301)	2,646

### 7 Taxation

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	91,389	(5,776)
Adjustments in respect of prior periods	1,800	90,783
Total current tax	93,189	85,007
<b>Deferred tax</b>		
Origination and reversal of timing differences	32,904	-
Total tax charge	126,093	85,007

# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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

	2018 £	2017 £
Profit/(loss) before taxation	268,274	(53,560)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	50,972	(10,712)
Tax effect of expenses that are not deductible in determining taxable profit	13,147	(10,654)
Adjustments in respect of prior years	-	85,007
Permanent capital allowances in excess of depreciation	29,070	21,366
Deferred tax adjustments in respect of prior years	32,904	-
Taxation charge for the year	126,093	85,007

### 8 Dividends

	2018 £	2017 £
Final paid	500,000	800,000

The proposed final dividend for the year ended 31 December 2018 is:

	Per share £	2018 Total £	2017 Total £
Ordinary shares	0.20	100,000	500,000

# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 9 Intangible fixed assets

	Patents £
<b>Cost</b>	
At 1 January 2018 and 31 December 2018	2
<b>Amortisation and impairment</b>	
At 1 January 2018	-
Amortisation charged for the year	2
At 31 December 2018	2
<b>Carrying amount</b>	
At 31 December 2018	-
At 31 December 2017	2

### 10 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 January 2018	377,000	3,377,365	3,754,365
Additions	-	9,610	9,610
At 31 December 2018	377,000	3,386,975	3,763,975
<b>Depreciation and impairment</b>			
At 1 January 2018	275,254	2,765,555	3,040,809
Depreciation charged in the year	21,129	188,788	209,917
At 31 December 2018	296,383	2,954,343	3,250,726
<b>Carrying amount</b>			
At 31 December 2018	80,617	432,632	513,249
At 31 December 2017	101,746	611,810	713,556

### 11 Stocks

	2018 £	2017 £
Raw materials and consumables	3,360,057	2,616,419
Finished goods and goods for resale	184,027	37,183
	3,544,084	2,653,602

# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 12 Debtors

	2018	2017
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	271,740	261,255
Corporation tax recoverable	-	50,000
Amounts owed by group undertakings	-	1,331,690
Prepayments and accrued income	78,891	144,224
	<u>350,631</u>	<u>1,787,169</u>

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

	Notes	2018	2017
		£	£
Bank loans and overdrafts	14	-	3,673
Trade creditors		462,919	894,439
Amounts owed to group undertakings		549,517	24,082
Corporation tax		91,389	-
Other taxation and social security		429,529	591,736
Other creditors		12,705	8,022
Accruals and deferred income		130,362	480,836
		<u>1,676,421</u>	<u>2,002,788</u>

### 14 Loans and overdrafts

	2018	2017
	£	£
Bank overdrafts	-	3,673
	<u>-</u>	<u>3,673</u>
Payable within one year	-	3,673
	<u>-</u>	<u>3,673</u>

The bank overdraft is unsecured.

### 15 Provisions for liabilities

	Notes	2018	2017
		£	£
Deferred tax liabilities	16	160,071	110,071
		32,904	-
		<u>192,975</u>	<u>110,071</u>

# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 15 Provisions for liabilities

(Continued)

Movements on provisions apart from retirement benefits and deferred tax liabilities:

	£
At 1 January 2018	110,071
Additional provisions in the year	50,000
	<u>160,071</u>
At 31 December 2018	<u>160,071</u>

### 16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2018 £	Liabilities 2017 £
<b>Balances:</b>		
ACAs	32,904	-
	<u>32,904</u>	<u>-</u>
<b>Movements in the year:</b>		2018 £
Liability at 1 January 2018		-
Charge to profit or loss		32,904
		<u>32,904</u>
Liability at 31 December 2018		<u>32,904</u>

### 17 Share capital

	2018 £	2017 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>
<b>Preference share capital</b>		
<b>Issued and fully paid</b>		
500,000 Preference shares of £1 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

## BURT BOULTON & HAYWOOD LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2018*

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17 Share capital

(Continued)

18 Profit and loss reserves

	2018 £	2017 £
At the beginning of the year	2,636,264	3,574,831
Profit/(loss) for the year	142,181	(138,567)
Dividends declared and paid in the year	(500,000)	(800,000)
At the end of the year	<u>2,278,445</u>	<u>2,636,264</u>

# BURT BOULTON & HAYWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 19 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	
	2018	2017	2018	2017
	£	£	£	£
Entities with control, joint control or significant influence over the company	8,485,696	9,061,847	3,953,073	4,653,304
	<u>8,485,696</u>	<u>9,061,847</u>	<u>3,953,073</u>	<u>4,653,304</u>
	<u><u>8,485,696</u></u>	<u><u>9,061,847</u></u>	<u><u>3,953,073</u></u>	<u><u>4,653,304</u></u>
	Services provided		Services purchased	
	2018	2017	2018	2017
	£	£	£	£
Entities with control, joint control or significant influence over the company	396,493	926,744	234,506	237,736
	<u>396,493</u>	<u>926,744</u>	<u>234,506</u>	<u>237,736</u>
	<u><u>396,493</u></u>	<u><u>926,744</u></u>	<u><u>234,506</u></u>	<u><u>237,736</u></u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2018	2017
	£	£
Entities with control, joint control or significant influence over the company	549,517	24,082
	<u>549,517</u>	<u>24,082</u>
	<u><u>549,517</u></u>	<u><u>24,082</u></u>

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties 2018		Amounts owed by related parties 2017	
	Balance	Net	Balance	Net
	£	£	£	£
Entities with control, joint control or significant influence over the company	-	-	1,331,690	1,331,690
	<u>-</u>	<u>-</u>	<u>1,331,690</u>	<u>1,331,690</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,331,690</u></u>	<u><u>1,331,690</u></u>

## BURT BOULTON & HAYWOOD LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

#### 19 Related party transactions

(Continued)

No guarantees have been given or received.

#### 20 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:

	2018 £	2017 £
Within one year	21,053	4,685
Between two and five years	1,069,939	11,210
In over five years	-	1,491,413
	<u>1,090,992</u>	<u>1,507,308</u>

#### 21 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.

## BURT BOULTON & HAYWOOD LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 22 Cash generated from operations

	2018 £	2017 £
Profit/(loss) for the year after tax	142,181	(138,567)
<b>Adjustments for:</b>		
Taxation charged	126,093	85,007
Finance costs	(301)	2,646
Gain on disposal of tangible fixed assets	-	(4,750)
Amortisation and impairment of intangible assets	2	-
Depreciation and impairment of tangible fixed assets	209,917	241,021
Increase/(decrease) in provisions	50,000	(55,075)
<b>Movements in working capital:</b>		
(Increase) in stocks	(890,482)	(293,405)
Decrease in debtors	1,386,538	739,344
(Decrease)/increase in creditors	(414,083)	834,531
<b>Cash generated from operations</b>	<u>609,865</u>	<u>1,410,752</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.