

**Company registration number: 05070421**

**Burns Sheehan Limited**

**Strategic report, directors' report and audited financial statements**

**30 November 2016**

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## **Burns Sheehan Limited**

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**Burns Sheehan Limited**

**Directors and other information**

|                          |                                                                                                   |
|--------------------------|---------------------------------------------------------------------------------------------------|
| <b>Directors</b>         | Mr Sean Michael Burns<br>Mr Jonathan Adam Sheehan                                                 |
| <b>Secretary</b>         | Sean Michael Burns                                                                                |
| <b>Company number</b>    | 05070421                                                                                          |
| <b>Registered office</b> | Brick House<br>150A Station Road<br>Woburn Sands<br>Milton Keynes<br>MK17 8SG                     |
| <b>Auditor</b>           | Haines Watts South Midlands<br>Audit LLP<br>1 Rushmills<br>Bedford Road<br>Northampton<br>NN4 7YB |
| <b>Bankers</b>           | Lloyds TSB Commercial<br>West London<br>2nd Floor<br>25 St George Street<br>London W1S 1FS        |

## **Burns Sheehan Limited**

### **Strategic report Year ended 30 November 2016**

#### **Review of the Business for the Year**

As Directors we are extremely pleased with the performance of the organisation and whilst we have faced some challenges both internally and externally our strong reputation in the market place, our business models and ever increasing loyal client base ensured that our final 6 months of trading exceeded expectations. The first 6 months of the year we faced some challenges. As a business our new client acquisition and retention of existing business is second to none within the market. Our successful delivery model and reputation has meant that we on-boarded a record number of clients in Q4 (2015) and Q1 (2016). As a result we had to make certain internal changes to meet these demands and ensure that we fully capitalised on them. Driving through these necessary changes had some consequences resulting in dip in the like for like performance in Q1 and Q2. However, the current structure has allowed the business to flourish in the latter half of the year and will form the bedrock of future significant growth. The changes allow us to scale more quickly. In addition we made the strategic decision to open a Manchester office. The demand for Digital and Technical resources is increasingly high as companies relocate to the north west from the south, as well as significant government initiatives that have seen the tech start up community thrive. We made the decision that to take full advantage of this trend we needed to fully immerse ourselves in the candidate community and that a local presence was essential. After a quarter and half of investment we are starting to see the Manchester hub become self-sufficient. We have made a real impact in the region and we strongly envisage that this will be a significant revenue generator moving forward. In general the Digital Technology recruitment market is thriving, investment in this sector is increasingly high and in the short to mid-term does not appear to be abating. As a business we remain ideally positioned to capitalise on this and our increasing market presence fuels our client acquisition. Last year we identified that we needed to invest in our senior management team to de-risk the business and provide robust succession planning. We have worked hard on a development programme and have made significant improvements in this area.

#### **Principal Risks and Uncertainties**

There are certain legal & compliance initiatives that the government (HMRC) are introducing in April 2017 around off payroll workers. We have a small number of temporary workers at various government departments and depending on various assessments we potentially will need to change the way in which we engage with this community. Whilst this may result in a small reduction in revenue the bigger impact could prevent further growth opportunities within the sector to which we have an increasing presence within. However, it could also present opportunities as public sector workers look to leave for the private sector and it will see a spike in permanent hires to which we are ideally positioned to win.

#### **Development and Performance**

Through the strength of our delivery capability and performance we have seen a trend from our client base of asking us to provide project retained high value onsite recruitment solutions. We have engaged with several clients in this manner and are ideally positioned to market this solution to the wider technology community. We continue to invest in our systems and people and have implemented a comprehensive learning and development programme across all levels within the business. We will continue to hire across all seniority levels but will place significant emphasis on graduate hiring to meet the increasing levels of work that we have.

#### **Financial Key Performance Indicators**

Our 2016 turnover £16.9m has reduced slightly from £17.7m in 2015 due to the internal changes mentioned above. Profitability and liquidity remain very sound and our shareholder funds remain constant with 2015. We are in a good solid financial position to take the company forward in 2017.

**Burns Sheehan Limited**

**Strategic report (continued)**  
**Year ended 30 November 2016**

This report was approved by the board of directors on 12/06/17 and signed on behalf of the board by:



**Mr Sean Michael Burns**  
**Director**

## **Burns Sheehan Limited**

### **Directors report Year ended 30 November 2016**

The directors present their report and the financial statements of the company for the year ended 30 November 2016.

#### **Directors**

The directors who served the company during the year were as follows:

Mr Sean Michael Burns  
Mr Jonathan Adam Sheehan

#### **Dividends**

Particulars of recommended dividends are detailed in note 11 to the financial statements.

#### **Disclosure of information in the strategic report.**

Items required under Sch. 7 to be disclosed in the directors' report are set out in the strategic report in accordance with s.414C(11) CA 2006.

#### **Directors responsibilities statement**

The directors are responsible for preparing the strategic report, directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgments and accounting estimates that are reasonable and prudent; and
- 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.

#### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

A resolution to reappoint Haines Watts South Midlands Audit LLP as auditor will be proposed at the forthcoming Annual General Meeting.

**Burns Sheehan Limited**

**Directors report (continued)**  
**Year ended 30 November 2016**

This report was approved by the board of directors on ...12/06/17... and signed on behalf of the board by:



Mr Sean Michael Burns  
Director

**Burns Sheehan Limited**

**Independent auditor's report to the members of  
Burns Sheehan Limited  
Year ended 30 November 2016**

We have audited the financial statements of Burns Sheehan Limited for the year ended 30 November 2016 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

**Respective responsibilities of directors and auditor**

As explained more fully in the directors responsibilities statement, 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 strategic report and the directors 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 30 November 2016 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 matter 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.

**Burns Sheehan Limited**

**Independent auditor's report to the members of  
Burns Sheehan Limited (continued)  
Year ended 30 November 2016**

**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 the 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.



Gary Woodhall ACA (senior statutory auditor)

For and on behalf of  
Haines Watts South Midlands Audit LLP  
Chartered Accountants and Statutory Auditor  
1 Rushmills  
Bedford Road  
Northampton  
NN4 7YB

*20<sup>th</sup> Dec 2017.*

**Burns Sheehan Limited**

**Statement of comprehensive income  
Year ended 30 November 2016**

|                                                                     | Note      | 2016<br>£             | 2015<br>£             |
|---------------------------------------------------------------------|-----------|-----------------------|-----------------------|
| <b>Turnover</b>                                                     | <b>4</b>  | 16,991,073            | 17,738,190            |
| Cost of sales                                                       |           | (13,570,168)          | (14,194,938)          |
| <b>Gross profit</b>                                                 |           | <u>3,420,905</u>      | <u>3,543,252</u>      |
| Administrative expenses                                             |           | (2,771,693)           | (2,543,749)           |
| <b>Operating profit</b>                                             | <b>5</b>  | <u>649,212</u>        | <u>999,503</u>        |
| Other interest receivable and similar income                        | <b>8</b>  | 203                   | 1,869                 |
| Interest payable and similar expenses                               | <b>9</b>  | (145)                 | (717)                 |
| <b>Profit before taxation</b>                                       |           | <u>649,270</u>        | <u>1,000,655</u>      |
| Tax on profit                                                       | <b>10</b> | (143,443)             | (226,049)             |
| <b>Profit for the financial year and total comprehensive income</b> |           | <u><u>505,827</u></u> | <u><u>774,606</u></u> |

The notes on pages 13 to 22 form part of these financial statements.

**Burns Sheehan Limited**

**Statement of financial position  
30 November 2016**

|                                                       | Note | 2016<br>£          | £              | 2015<br>£          | £              |
|-------------------------------------------------------|------|--------------------|----------------|--------------------|----------------|
| <b>Fixed assets</b>                                   |      |                    |                |                    |                |
| Tangible assets                                       | 12   | <u>222,734</u>     |                | <u>249,861</u>     |                |
|                                                       |      |                    | 222,734        |                    | 249,861        |
| <b>Current assets</b>                                 |      |                    |                |                    |                |
| Debtors                                               | 13   | 2,791,962          |                | 3,732,425          |                |
| Cash at bank and in hand                              |      | <u>573,862</u>     |                | <u>588,824</u>     |                |
|                                                       |      | 3,365,824          |                | 4,321,249          |                |
| <b>Creditors: amounts falling due within one year</b> | 14   | <u>(2,905,088)</u> |                | <u>(3,875,527)</u> |                |
| <b>Net current assets</b>                             |      |                    | 460,736        |                    | 445,722        |
| <b>Total assets less current liabilities</b>          |      |                    | 683,470        |                    | 695,583        |
| <br><b>Provisions for liabilities</b>                 | 15   |                    | (44,547)       |                    | (50,648)       |
| <br><b>Net assets</b>                                 |      |                    | <u>638,923</u> |                    | <u>644,935</u> |
| <br><b>Capital and reserves</b>                       |      |                    |                |                    |                |
| Called up share capital                               | 18   |                    | 75,699         |                    | 75,699         |
| Profit and loss account                               |      |                    | <u>563,224</u> |                    | <u>569,236</u> |
| <b>Shareholders funds</b>                             |      |                    | <u>638,923</u> |                    | <u>644,935</u> |

These financial statements were approved by the board of directors and authorised for issue on , and are signed on behalf of the board by:

  
Mr Sean Michael Burns  
Director

Company registration number: 05070421

The notes on pages 13 to 22 form part of these financial statements.

**Burns Sheehan Limited**

**Statement of changes in equity  
Year ended 30 November 2016**

|                                                             | Called up<br>share<br>capital | Profit and<br>loss<br>account | <b>Total</b> |
|-------------------------------------------------------------|-------------------------------|-------------------------------|--------------|
|                                                             | £                             | £                             | £            |
| <b>At 1 December 2014</b>                                   | 75,699                        | 249,622                       | 325,321      |
| Profit for the year                                         |                               | 774,606                       | 774,606      |
| <b>Total comprehensive income for the year</b>              | -                             | 774,606                       | 774,606      |
| Dividends paid and payable                                  |                               | (454,992)                     | (454,992)    |
| <b>Total investments by and distributions<br/>to owners</b> | -                             | (454,992)                     | (454,992)    |
| <b>At 30 November 2015 and 1 December 2015</b>              | 75,699                        | 569,236                       | 644,935      |
| Profit for the year                                         |                               | 505,827                       | 505,827      |
| <b>Total comprehensive income for the year</b>              | -                             | 505,827                       | 505,827      |
| Dividends paid and payable                                  |                               | (511,839)                     | (511,839)    |
| <b>Total investments by and distributions<br/>to owners</b> | -                             | (511,839)                     | (511,839)    |
| <b>At 30 November 2016</b>                                  | 75,699                        | 563,224                       | 638,923      |

**Burns Sheehan Limited**

**Statement of cash flows  
Year ended 30 November 2016**

|                                                             | <b>2016</b>             | <b>2015</b>             |
|-------------------------------------------------------------|-------------------------|-------------------------|
|                                                             | <b>£</b>                | <b>£</b>                |
| <b>Cash flows from operating activities</b>                 |                         |                         |
| Profit for the financial year                               | 505,827                 | 774,606                 |
| <i>Adjustments for:</i>                                     |                         |                         |
| Depreciation of tangible assets                             | 39,482                  | 19,393                  |
| Other interest receivable and similar income                | (203)                   | (1,869)                 |
| Interest payable and similar expenses                       | 145                     | 717                     |
| Gain/(loss) on disposal of tangible assets                  | -                       | 15,658                  |
| Tax on profit                                               | 143,443                 | 226,049                 |
| Accrued expenses/(income)                                   | (84,539)                | 184,338                 |
| <i>Changes in:</i>                                          |                         |                         |
| Trade and other debtors                                     | 666,765                 | (404,324)               |
| Trade and other creditors                                   | (586,350)               | 107,924                 |
| Cash generated from operations                              | <u>684,570</u>          | <u>922,492</u>          |
| Interest paid                                               | (145)                   | (717)                   |
| Interest received                                           | 203                     | 1,869                   |
| Tax paid                                                    | (175,396)               | (180,043)               |
| Net cash from operating activities                          | <u><u>509,232</u></u>   | <u><u>743,601</u></u>   |
| <b>Cash flows from investing activities</b>                 |                         |                         |
| Purchase of tangible assets                                 | (12,355)                | (265,603)               |
| Net cash used in investing activities                       | <u><u>(12,355)</u></u>  | <u><u>(265,603)</u></u> |
| <b>Cash flows from financing activities</b>                 |                         |                         |
| Proceeds from borrowings                                    | -                       | (2,929)                 |
| Equity dividends paid                                       | (511,839)               | (454,992)               |
| Net cash used in financing activities                       | <u><u>(511,839)</u></u> | <u><u>(457,921)</u></u> |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <u><u>(14,962)</u></u>  | <u><u>20,077</u></u>    |
| <b>Cash and cash equivalents at beginning of year</b>       | <u><u>588,824</u></u>   | <u><u>568,747</u></u>   |
| <b>Cash and cash equivalents at end of year</b>             | <u><u>573,862</u></u>   | <u><u>588,824</u></u>   |

## **Burns Sheehan Limited**

### **Notes to the financial statements Year ended 30 November 2016**

#### **1. General Information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Brick House, 150A Station Road, Woburn Sands, Milton Keynes, MK17 8SG.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 December 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 23.

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

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors do not consider that there are any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

##### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

## **Burns Sheehan Limited**

### **Notes to the financial statements (continued) Year ended 30 November 2016**

#### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

|                                 |                                            |
|---------------------------------|--------------------------------------------|
| Leasehold properties            | - Straight line over the life of the lease |
| Fittings fixtures and equipment | - 15% straight line                        |

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

#### **Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets or either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**Burns Sheehan Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 November 2016**

**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

**4. Turnover**

Turnover arises from:

|                       | <b>2016</b>       | <b>2015</b>       |
|-----------------------|-------------------|-------------------|
|                       | <b>£</b>          | <b>£</b>          |
| Rendering of services | <b>16,991,073</b> | <b>17,738,190</b> |

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

**5. Operating profit**

Operating profit is stated after charging/(crediting):

|                                            | <b>2016</b>    | <b>2015</b>   |
|--------------------------------------------|----------------|---------------|
|                                            | <b>£</b>       | <b>£</b>      |
| Depreciation of tangible assets            | <b>39,482</b>  | <b>19,393</b> |
| (Gain)/loss on disposal of tangible assets | <b>-</b>       | <b>15,658</b> |
| Operating lease rentals                    | <b>224,141</b> | <b>65,906</b> |
| Auditor's remuneration                     | <b>5,940</b>   | <b>5,000</b>  |

**Burns Sheehan Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 November 2016**

**6. Staff costs**

The average number of persons employed by the company during the year, including the directors, amounted to:

|           | <b>2016</b> | <b>2015</b> |
|-----------|-------------|-------------|
| Directors | 2           | 2           |
| Employees | 34          | 32          |
|           | <u>36</u>   | <u>34</u>   |

The aggregate payroll costs incurred during the year were:

|                       | <b>2016</b>      | <b>2015</b>      |
|-----------------------|------------------|------------------|
|                       | <b>£</b>         | <b>£</b>         |
| Wages and salaries    | 1,182,078        | 1,045,023        |
| Social security costs | 174,039          | 180,461          |
| Other pension costs   | 16,500           | 15,375           |
|                       | <u>1,372,617</u> | <u>1,240,859</u> |

**7. Directors remuneration**

The directors aggregate remuneration in respect of qualifying services was:

|                                                                            | <b>2016</b>   | <b>2015</b>   |
|----------------------------------------------------------------------------|---------------|---------------|
|                                                                            | <b>£</b>      | <b>£</b>      |
| Remuneration                                                               | 30,000        | 30,000        |
| Company contributions to pension schemes in respect of qualifying services | 10,800        | 12,000        |
|                                                                            | <u>40,800</u> | <u>42,000</u> |

The number of directors who accrued benefits under company pension plans was as follows:

|                            | <b>2016</b>   | <b>2015</b>   |
|----------------------------|---------------|---------------|
|                            | <b>Number</b> | <b>Number</b> |
| Defined contribution plans | <u>2</u>      | <u>2</u>      |

**8. Other interest receivable and similar income**

|               | <b>2016</b> | <b>2015</b>  |
|---------------|-------------|--------------|
|               | <b>£</b>    | <b>£</b>     |
| Bank deposits | <u>203</u>  | <u>1,869</u> |

**Burns Sheehan Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 November 2016**

**9. Interest payable and similar expenses**

|                                             | <b>2016</b> | <b>2015</b> |
|---------------------------------------------|-------------|-------------|
|                                             | <b>£</b>    | <b>£</b>    |
| Bank loans and overdrafts                   | -           | 417         |
| Other interest payable and similar expenses | 145         | 300         |
|                                             | <u>145</u>  | <u>717</u>  |

# Burns Sheehan Limited

## Notes to the financial statements (continued) Year ended 30 November 2016

### 10. Tax on profit

#### Major components of tax expense

|                                                | 2016<br>£      | 2015<br>£      |
|------------------------------------------------|----------------|----------------|
| <b>Current tax:</b>                            |                |                |
| UK current tax expense                         | 149,554        | 175,406        |
| Adjustments in respect of previous periods     | (10)           | (5)            |
|                                                | <hr/>          | <hr/>          |
| Total current tax                              | 149,544        | 175,401        |
| <b>Deferred tax:</b>                           |                |                |
| Origination and reversal of timing differences | (6,101)        | 50,648         |
|                                                | <hr/>          | <hr/>          |
| <b>Tax on profit</b>                           | <b>143,443</b> | <b>226,049</b> |
|                                                | <hr/>          | <hr/>          |

#### Reconciliation of tax expense

The tax assessed on the profit for the year is higher than (2015: lower than) the standard rate of corporation tax in the UK of 20.00% (2015: 20.27%).

|                                                    | 2016<br>£      | 2015<br>£      |
|----------------------------------------------------|----------------|----------------|
| Profit before taxation                             | 649,270        | 1,000,655      |
|                                                    | <hr/>          | <hr/>          |
| Profit multiplied by rate of tax                   | 129,854        | 202,833        |
| Adjustments in respect of prior periods            | (10)           | (5)            |
| Effect of expenses not deductible for tax purposes | 14,275         | 14,418         |
| Effect of capital allowances and depreciation      | 5,425          | (41,845)       |
|                                                    | <hr/>          | <hr/>          |
| <b>Tax on profit</b>                               | <b>149,544</b> | <b>175,401</b> |
|                                                    | <hr/>          | <hr/>          |

#### Factors affecting future tax expense

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 30th November 2016 has been calculated based on these rates.

**Burns Sheehan Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 November 2016**

**11. Dividends**

**Equity dividends**

|                                                                                                             | <b>2016</b>    | <b>2015</b>    |
|-------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                             | <b>£</b>       | <b>£</b>       |
| Dividends paid during the year (excluding those for which a liability existed at the end of the prior year) | <u>511,839</u> | <u>454,992</u> |

**12. Tangible assets**

|                            | Short<br>leasehold<br>property<br>£ | Fixtures,<br>fittings and<br>equipment<br>£ | <b>Total</b><br><br>£ |
|----------------------------|-------------------------------------|---------------------------------------------|-----------------------|
| <b>Cost</b>                |                                     |                                             |                       |
| At 1 December 2015         | 24,085                              | 241,518                                     | 265,603               |
| Additions                  | -                                   | 12,355                                      | 12,355                |
| <b>At 30 November 2016</b> | <u>24,085</u>                       | <u>253,873</u>                              | <u>277,958</u>        |
| <b>Depreciation</b>        |                                     |                                             |                       |
| At 1 December 2015         | 1,004                               | 14,738                                      | 15,742                |
| Charge for the year        | 2,408                               | 37,074                                      | 39,482                |
| <b>At 30 November 2016</b> | <u>3,412</u>                        | <u>51,812</u>                               | <u>55,224</u>         |
| <b>Carrying amount</b>     |                                     |                                             |                       |
| <b>At 30 November 2016</b> | <u>20,673</u>                       | <u>202,061</u>                              | <u>222,734</u>        |
| At 30 November 2015        | <u>23,081</u>                       | <u>226,780</u>                              | <u>249,861</u>        |

**13. Debtors**

|                                  | <b>2016</b>      | <b>2015</b>      |
|----------------------------------|------------------|------------------|
|                                  | <b>£</b>         | <b>£</b>         |
| Trade debtors                    | 1,747,774        | 2,267,135        |
| Called up share capital not paid | -                | 600              |
| Prepayments and accrued income   | 996,440          | 1,450,761        |
| Other debtors                    | 47,748           | 13,929           |
|                                  | <u>2,791,962</u> | <u>3,732,425</u> |

**Burns Sheehan Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 November 2016**

**14. Creditors: amounts falling due within one year**

|                                 | <b>2016</b>      | <b>2015</b>      |
|---------------------------------|------------------|------------------|
|                                 | <b>£</b>         | <b>£</b>         |
| Trade creditors                 | 479,199          | 596,323          |
| Accruals                        | 749,612          | 1,107,849        |
| Corporation tax                 | 149,554          | 175,406          |
| Social security and other taxes | 280,513          | 324,592          |
| Other creditors                 | 1,246,210        | 1,671,357        |
|                                 | <u>2,905,088</u> | <u>3,875,527</u> |

Included in other creditors is £1,243,861 (2015 - £1,669,008) due to Lloyds TSB Commercial Finance in respect of debt factoring. Lloyds TSB Commercial Finance and Lloyds TSB Bank PLC both hold fixed and floating charges over the assets of the company in respect of debt factoring and bank borrowings respectively.

**15. Provisions**

|                            | Deferred tax<br>(note 16) | Total         |
|----------------------------|---------------------------|---------------|
|                            | <b>£</b>                  | <b>£</b>      |
| At 1 December 2015         | 50,648                    | 50,648        |
| Additions                  | (6,101)                   | (6,101)       |
| <b>At 30 November 2016</b> | <u>44,547</u>             | <u>44,547</u> |

**16. Deferred tax**

The deferred tax included in the statement of financial position is as follows:

|                                  | <b>2016</b>   | <b>2015</b>   |
|----------------------------------|---------------|---------------|
|                                  | <b>£</b>      | <b>£</b>      |
| Included in provisions (note 15) | <u>44,547</u> | <u>50,648</u> |

The deferred tax account consists of the tax effect of timing differences in respect of:

|                                | <b>2016</b>   | <b>2015</b>   |
|--------------------------------|---------------|---------------|
|                                | <b>£</b>      | <b>£</b>      |
| Accelerated capital allowances | <u>44,547</u> | <u>50,648</u> |

**17. Employee benefits**

The amount recognised in profit or loss in relation to defined contribution plans was £16,500 (2015: £15,375).

**Burns Sheehan Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 November 2016**

**18. Called up share capital**  
**Issued, called up and fully paid**

|                                          | <b>2016</b>   |               | <b>2015</b>   |               |
|------------------------------------------|---------------|---------------|---------------|---------------|
|                                          | <b>No</b>     | <b>£</b>      | <b>No</b>     | <b>£</b>      |
| Ordinary shares shares of £ 1.00 each    | 75,099        | 75,099        | 75,099        | 75,099        |
| Partners 'A' - 'F' shares of £ 1.00 each | 600           | 600           | 600           | 600           |
|                                          | <u>75,699</u> | <u>75,699</u> | <u>75,699</u> | <u>75,699</u> |

The Partners "A" - "F" shares of £1 each have no entitlement to receive dividends declared on the ordinary share capital of the company, but entitlement to receive dividends on the Partners' "A" - "F" shares as agreed by the board of directors. They have no entitlement to attend or vote at general meetings of the company or to participate in any distribution upon the winding up of the company.

**19. Operating leases**

**The company as lessee**

The total future minimum lease payments under non-cancellable operating leases are as follows:

|                                              | <b>2016</b>      | <b>2015</b>      |
|----------------------------------------------|------------------|------------------|
|                                              | <b>£</b>         | <b>£</b>         |
| Land and buildings                           |                  |                  |
| Not later than 1 year                        | 214,885          | 214,885          |
| Later than 1 year and not later than 5 years | 859,540          | 859,540          |
| Later than 5 years                           | 770,005          | 984,890          |
|                                              | <u>1,844,430</u> | <u>2,059,315</u> |

**Burns Sheehan Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 November 2016**

**20. Directors advances, credits and guarantees**

During the year the directors entered into the following advances and credits with the company:

| <b>2016</b>           |        | Balance<br>brought<br>forward | Advances<br>/(credits) to<br>the directors | Balance<br>o/standing |
|-----------------------|--------|-------------------------------|--------------------------------------------|-----------------------|
|                       | £      | £                             | £                                          | £                     |
| Mr Sean Michael Burns | 13,929 | 33,819                        | 47,748                                     |                       |
|                       |        |                               |                                            |                       |
| <b>2015</b>           |        | Balance<br>brought<br>forward | Advances<br>/(credits) to<br>the directors | Balance<br>o/standing |
|                       | £      | £                             | £                                          | £                     |
| Mr Sean Michael Burns | -      | 13,929                        | 13,929                                     |                       |

The loan is interest free and repayable on demand.

**21. Related party transactions**

During the year total dividends of £458,439 (2015 - £401,592) were paid to the directors.

Key management personnel of the entity (in the aggregate)

|              | 2016    | 2015    |
|--------------|---------|---------|
|              | £       | £       |
| Remuneration | £40,800 | £40,800 |

**22. Controlling party**

The ultimate controlling parties are Mr Sean Burns and Mr Jonathan Sheehan who each own 49.99% of the ordinary share capital of the company.

**23. Transition to FRS 102**

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 December 2014.

**Reconciliation of equity**

No transitional adjustments were required.

**Reconciliation of profit or loss for the year**

No transitional adjustments were required.

**Burns Sheehan Limited**

**The following pages do not form part of the statutory accounts.**

**Burns Sheehan Limited**

**Year ended 30 November 2016**

|                                                | <b>2016</b>         | <b>2015</b>         |
|------------------------------------------------|---------------------|---------------------|
|                                                | <b>£</b>            | <b>£</b>            |
| <b>Turnover</b>                                |                     |                     |
| Sales                                          | 16,991,073          | 17,738,190          |
|                                                | <u>16,991,073</u>   | <u>17,738,190</u>   |
| <b>Cost of sales</b>                           |                     |                     |
| Direct costs                                   | (13,570,168)        | (14,194,938)        |
|                                                | <u>(13,570,168)</u> | <u>(14,194,938)</u> |
| <b>Gross profit</b>                            | <u>3,420,905</u>    | <u>3,543,252</u>    |
| <b>Gross profit percentage</b>                 | 20.1%               | 20.0%               |
| <b>Overheads</b>                               |                     |                     |
| <b>Administrative expenses</b>                 |                     |                     |
| Wages and salaries                             | (1,152,078)         | (1,015,023)         |
| Directors remuneration                         | (30,000)            | (30,000)            |
| Employer's social security contributions       | (174,039)           | (180,461)           |
| Directors pension costs - defined contribution | (10,800)            | (12,000)            |
| Staff pension costs - defined contribution     | (5,700)             | (3,375)             |
| Staff training                                 | (19,843)            | (42,698)            |
| Staff recruitment                              | (70,510)            | (83,488)            |
| Commissions payable                            | (270,747)           | (532,164)           |
| Operating lease rentals - land and buildings   | (219,941)           | (63,255)            |
| Rates                                          | (65,990)            | (46,820)            |
| Service charges                                | (42,898)            | (31,634)            |
| Insurance                                      | (85,442)            | (75,772)            |
| Operating lease payments - office equipment    | (4,200)             | (2,651)             |
| Light and heat                                 | (3,472)             | (3,847)             |
| Cleaning                                       | (6,836)             | (4,020)             |
| Repairs and maintenance                        | (4,540)             | (1,510)             |
| Office move expenses                           | -                   | (95,603)            |
| Compensation for office move                   | -                   | 320,000             |
| Printing, postage and stationery               | (6,004)             | (7,920)             |
| Advertising                                    | (176,580)           | (186,436)           |
| Telephone                                      | (30,929)            | (33,645)            |
| Computer costs                                 | (96,513)            | (112,849)           |
| Travelling and entertainment                   | (11,697)            | (11,640)            |
| Entertaining                                   | (71,375)            | (71,128)            |
| Legal and professional                         | (5,980)             | (6,375)             |
| Consultancy fees                               | (20,000)            | -                   |
| Accountancy fees                               | (14,550)            | (14,029)            |
| Auditors remuneration                          | (5,940)             | (5,000)             |
| Factoring charges                              | (75,241)            | (85,000)            |
| Bank charges                                   | (4,136)             | (4,094)             |

**Burns Sheehan Limited**

**Year ended 30 November 2016**

|                                              | <b>2016</b>           | <b>2015</b>             |
|----------------------------------------------|-----------------------|-------------------------|
|                                              | <b>£</b>              | <b>£</b>                |
| Bad debts                                    | 467                   | 225                     |
| Staff welfare                                | (25,750)              | (27,315)                |
| General expenses                             | (2,678)               | (26,198)                |
| Charitable donations - type 2                | (15,017)              | (9,509)                 |
| Subscriptions                                | (3,252)               | (3,464)                 |
| Depreciation of tangible assets              | (39,482)              | (19,393)                |
| Gain/loss on disposal of tangible assets     | -                     | (15,658)                |
|                                              | <u>(2,771,693)</u>    | <u>(2,543,749)</u>      |
| <b>Operating profit</b>                      | <b>649,212</b>        | <b>999,503</b>          |
| <b>Operating profit percentage</b>           | <b>3.8%</b>           | <b>5.6%</b>             |
| Other interest receivable and similar income | 203                   | 1,869                   |
| Interest payable and similar expenses        | (145)                 | (717)                   |
| <b>Profit before taxation</b>                | <b><u>649,270</u></b> | <b><u>1,000,655</u></b> |