

**Registrar of  
Companies**

**Bryan Hirst Limited**  
**Financial Statements**  
**30 November 2018**



**BURGESS HODGSON LLP**  
Chartered accountants & statutory auditor  
Camburgh House  
27 New Dover Road  
Canterbury  
Kent  
CT1 3DN

**Bryan Hirst Limited**  
**Financial Statements**  
**Year ended 30 November 2018**

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**Bryan Hirst Limited**  
**Strategic Report**  
**Year ended 30 November 2018**

The Director presents below his strategic report for the year ended 30 November 2018.

Bryan Hirst Limited has succeeded in maintaining the results from 2017 by increasing profit before tax from £542,055 to £556,750 which continues to relate to the trade of the business as a scrap metal dealer. Improved efficiencies with regards processing of the raw materials and cost saving measures have contributed to the small increase in profits, despite the constraints which the current climate of the industry is imposing by way of rising costs.

The primary financial risk for the company is liquidity and the company is aware of the current position it finds itself in regarding this. Careful management of both trade debtors and creditors and the utilisation of agreed funding enables the company to continue to meet its cash flow requirements.

The following Key Performance Indicators show how the company is managing to maintain strong performance levels:

Gross profit margin 11.72% (2017: 11.00%)

The margin has been maintained at a similar level due to efficiencies counteracting the increase in costs relating to the processing of the raw materials and transportation.

Trade debtor days 6.05 (2017: 9.51)

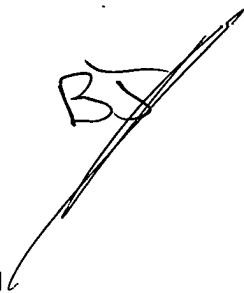
This is representative success of the tight debt collection procedures implemented during the year as well as some customers paying in advance to secure orders.

Looking forward Bryan Hirst Limited expect that during 2019 it is able to maintain profitability at a consistent level and work towards relieving the strain of the current liquidity position.

This report was approved by the board of directors on .....15/8/2019... and signed on behalf of the board by:

B Hirst  
Director

Registered office:  
Camburgh House  
27 New Dover Road  
Canterbury  
Kent  
CT1 3DN

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**Bryan Hirst Limited**  
**Director's Report**  
**Year ended 30 November 2018**

The director presents his report and the financial statements of the company for the year ended 30 November 2018.

**Director**

The director who served the company during the year was as follows:

B Hirst

**Dividends**

Particulars of recommended dividends are detailed in note 12 to the financial statements.

**Director's responsibilities statement**

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

# Bryan Hirst Limited

## Director's Report *(continued)*

**Year ended 30 November 2018**

This report was approved by the board of directors on 15/8/2019 and signed on behalf of the board by:

B Hirst  
Director

Registered office:  
Camburgh House  
27 New Dover Road  
Canterbury  
Kent  
CT1 3DN

A handwritten signature in black ink, appearing to be 'B Hirst', is written over a diagonal line that extends from the signature area towards the registered office address.

## **Bryan Hirst Limited**

### **Independent Auditor's Report to the Members of Bryan Hirst Limited**

**Year ended 30 November 2018**

#### **Opinion**

We have audited the financial statements of Bryan Hirst Limited (the 'company') for the year ended 30 November 2018 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, 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 30 November 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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.

## Bryan Hirst Limited

### Independent Auditor's Report to the Members of Bryan Hirst Limited *(continued)*

**Year ended 30 November 2018**

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. 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 the audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

#### 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 or the director's report.

We have nothing to report in respect of the following matters in relation to which 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

## **Bryan Hirst Limited**

### **Independent Auditor's Report to the Members of Bryan Hirst Limited (continued)**

**Year ended 30 November 2018**

#### **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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Bryan Hirst Limited

### Independent Auditor's Report to the Members of Bryan Hirst Limited *(continued)*

Year ended 30 November 2018

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our 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.

A handwritten signature in black ink, appearing to read 'Burgess Hodgson LLP', is written above the printed name of the auditor.

Colin Reid (Senior Statutory Auditor)

For and on behalf of  
Burgess Hodgson LLP  
Chartered accountants & statutory auditor  
Camburgh House  
27 New Dover Road  
Canterbury  
Kent  
CT1 3DN

15/8/2019

**Bryan Hirst Limited**  
**Statement of Income and Retained Earnings**  
**Year ended 30 November 2018**

|                                                                     | Note      | 2018<br>£        | 2017<br>£        |
|---------------------------------------------------------------------|-----------|------------------|------------------|
| <b>Turnover</b>                                                     | <b>4</b>  | 16,010,853       | 16,978,474       |
| Cost of sales                                                       |           | 14,135,040       | 15,109,810       |
| <b>Gross profit</b>                                                 |           | <u>1,875,813</u> | <u>1,868,664</u> |
| Administrative expenses                                             |           | 1,204,412        | 1,236,593        |
| Other operating income                                              |           | 47,602           | 52,181           |
| <b>Operating profit</b>                                             | <b>5</b>  | <u>719,003</u>   | <u>684,252</u>   |
| Other interest receivable and similar income                        | <b>9</b>  | 16,889           | 17,321           |
| Interest payable and similar expenses                               | <b>10</b> | 179,142          | 159,518          |
| <b>Profit before taxation</b>                                       |           | <u>556,750</u>   | <u>542,055</u>   |
| Tax on profit                                                       | <b>11</b> | <u>112,020</u>   | <u>122,482</u>   |
| <b>Profit for the financial year and total comprehensive income</b> |           | <u>444,730</u>   | <u>419,573</u>   |
| Dividends paid and payable                                          | <b>12</b> | (986,000)        | (350,000)        |
| <b>Retained earnings at the start of the year</b>                   |           | <u>1,201,855</u> | <u>1,132,282</u> |
| <b>Retained earnings at the end of the year</b>                     |           | <u>660,585</u>   | <u>1,201,855</u> |

All the activities of the company are from continuing operations.

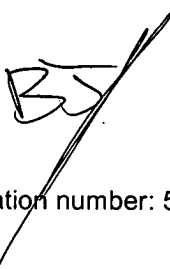
**Bryan Hirst Limited**  
**Statement of Financial Position**  
**30 November 2018**

|                                                                | Note | 2018<br>£        | 2017<br>£        |
|----------------------------------------------------------------|------|------------------|------------------|
| <b>Fixed assets</b>                                            |      |                  |                  |
| Tangible assets                                                | 13   | 7,190,706        | 7,722,004        |
| <b>Current assets</b>                                          |      |                  |                  |
| Stocks                                                         | 14   | 2,234,857        | 561,876          |
| Debtors                                                        | 15   | 863,661          | 1,499,331        |
| Cash at bank and in hand                                       |      | 1,974            | 64,962           |
|                                                                |      | <u>3,100,492</u> | <u>2,126,169</u> |
| <b>Creditors: amounts falling due within one year</b>          | 17   | <u>5,811,443</u> | <u>5,706,716</u> |
| <b>Net current liabilities</b>                                 |      | <u>2,710,951</u> | <u>3,580,547</u> |
| <b>Total assets less current liabilities</b>                   |      | <u>4,479,755</u> | <u>4,141,457</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 18   | 3,644,309        | 2,736,741        |
| <b>Provisions</b>                                              |      |                  |                  |
| Taxation including deferred tax                                | 20   | <u>174,761</u>   | <u>202,761</u>   |
| <b>Net assets</b>                                              |      | <u>660,685</u>   | <u>1,201,955</u> |
| <b>Capital and reserves</b>                                    |      |                  |                  |
| Called up share capital                                        | 23   | 100              | 100              |
| Profit and loss account                                        |      | <u>660,585</u>   | <u>1,201,855</u> |
| <b>Shareholders funds</b>                                      |      | <u>660,685</u>   | <u>1,201,955</u> |

These financial statements were approved by the board of directors and authorised for issue on 15/8/2019, and are signed on behalf of the board by:

B Hirst  
 Director

Company registration number: 5995607



**Bryan Hirst Limited**  
**Statement of Cash Flows**  
**Year ended 30 November 2018**

|                                                       | Note | 2018<br>£          | 2017<br>£          |
|-------------------------------------------------------|------|--------------------|--------------------|
| <b>Cash flows from operating activities</b>           |      |                    |                    |
| Profit for the financial year                         |      | 444,730            | 419,573            |
| <i>Adjustments for:</i>                               |      |                    |                    |
| Depreciation of tangible assets                       |      | 679,472            | 674,730            |
| Other interest receivable and similar income          |      | (16,889)           | (17,321)           |
| Interest payable and similar expenses                 |      | 179,142            | 159,518            |
| Gains on disposal of tangible assets                  |      | (76,416)           | (253,893)          |
| Tax on profit                                         |      | 112,020            | 122,482            |
| Accrued (income)/expenses                             |      | (351,099)          | 226,759            |
| <i>Changes in:</i>                                    |      |                    |                    |
| Stocks                                                |      | (1,672,981)        | 3,093              |
| Trade and other debtors                               |      | 635,670            | (595,984)          |
| Trade and other creditors                             |      | 1,261,409          | 768,529            |
| Cash generated from operations                        |      | 1,195,058          | 1,507,486          |
| Interest paid                                         |      | (179,142)          | (159,518)          |
| Interest received                                     |      | 16,889             | 17,321             |
| Tax paid                                              |      | (250)              | (123,540)          |
| Net cash from operating activities                    |      | <u>1,032,555</u>   | <u>1,241,749</u>   |
| <b>Cash flows from investing activities</b>           |      |                    |                    |
| Purchase of tangible assets                           |      | (640,240)          | (2,412,350)        |
| Proceeds from sale of tangible assets                 |      | 568,482            | 1,359,998          |
| Net cash used in investing activities                 |      | <u>(71,758)</u>    | <u>(1,052,352)</u> |
| <b>Cash flows from financing activities</b>           |      |                    |                    |
| Proceeds from borrowings                              |      | (345,180)          | (331,707)          |
| Payments of finance lease liabilities                 |      | (149,506)          | 380,019            |
| Dividends paid                                        |      | (986,000)          | (350,000)          |
| Net cash used in financing activities                 |      | <u>(1,480,686)</u> | <u>(301,688)</u>   |
| <b>Net decrease in cash and cash equivalents</b>      |      | (519,889)          | (112,291)          |
| <b>Cash and cash equivalents at beginning of year</b> |      | (553,876)          | (441,585)          |
| <b>Cash and cash equivalents at end of year</b>       | 16   | <u>(1,073,765)</u> | <u>(553,876)</u>   |

**Bryan Hirst Limited**  
**Notes to the Financial Statements**  
**Year ended 30 November 2018**

**1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Camburgh House, 27 New Dover Road, Canterbury, Kent, CT1 3DN.

**2. Statement of compliance**

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

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Significant judgements**

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

**Leases**

Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

# Bryan Hirst Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

### 3. Accounting policies *(continued)*

#### Judgements and key sources of estimation uncertainty *(continued)*

##### Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

##### Allowance for doubtful debts

The Company makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable.

##### Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

#### Revenue recognition

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 sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

#### Income tax

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

# Bryan Hirst Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

### 3. Accounting policies *(continued)*

#### Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated 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:

|                     |                              |
|---------------------|------------------------------|
| Land and buildings  | - 50 years straight line     |
| Plant and machinery | - 4 to 8 years straight line |
| Motor vehicles      | - 5 years straight line      |
| Equipment           | - 4 years straight line      |

Land is deemed to have an indefinite life and therefore no depreciation is charged on this element of the costs within land and buildings.

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

#### Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

#### Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

# Bryan Hirst Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

### 3. Accounting policies *(continued)*

#### 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.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangements entered into.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

#### 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.

### 4. Turnover

Turnover arises from:

|               | 2018<br>£         | 2017<br>£         |
|---------------|-------------------|-------------------|
| Sale of goods | <u>16,010,853</u> | <u>16,978,474</u> |

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

# Bryan Hirst Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

### 5. Operating profit

Operating profit or loss is stated after charging/crediting:

|                                         | 2018              | 2017              |
|-----------------------------------------|-------------------|-------------------|
|                                         | £                 | £                 |
| Depreciation of tangible assets         | 679,472           | 674,730           |
| Gains on disposal of tangible assets    | (76,416)          | (253,893)         |
| Cost of stocks recognised as an expense | 11,143,086        | 11,692,086        |
| Impairment of trade debtors             | (30,500)          | 32,374            |
| Foreign exchange differences            | —                 | (3,191)           |
|                                         | <u>          </u> | <u>          </u> |

### 6. Auditor's remuneration

|                                                                              | 2018         | 2017         |
|------------------------------------------------------------------------------|--------------|--------------|
|                                                                              | £            | £            |
| Fees payable for the audit of the financial statements                       | <u>6,400</u> | <u>6,400</u> |
| Fees payable to the company's auditor and its associates for other services: |              |              |
| Taxation advisory services                                                   | 1,530        | 1,515        |
| Other non-audit services                                                     | <u>8,460</u> | <u>8,385</u> |
|                                                                              | <u>9,990</u> | <u>9,900</u> |

### 7. Staff costs

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

|                      | 2018      | 2017      |
|----------------------|-----------|-----------|
|                      | No.       | No.       |
| Production staff     | 28        | 30        |
| Administrative staff | 4         | 5         |
| Management staff     | <u>1</u>  | <u>1</u>  |
|                      | <u>33</u> | <u>36</u> |

The aggregate payroll costs incurred during the year, relating to the above, were:

|                       | 2018             | 2017             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 1,112,159        | 1,255,514        |
| Social security costs | 94,453           | 118,871          |
| Other pension costs   | <u>12,187</u>    | <u>7,088</u>     |
|                       | <u>1,218,799</u> | <u>1,381,473</u> |

### 8. Director's remuneration

The director's aggregate remuneration in respect of qualifying services was:

|              | 2018          | 2017         |
|--------------|---------------|--------------|
|              | £             | £            |
| Remuneration | <u>10,311</u> | <u>9,803</u> |

# Bryan Hirst Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

### 9. Other interest receivable and similar income

|                                   | 2018<br>£     | 2017<br>£     |
|-----------------------------------|---------------|---------------|
| Interest on loans and receivables | <u>16,889</u> | <u>17,321</u> |

### 10. Interest payable and similar expenses

|                                                                          | 2018<br>£      | 2017<br>£      |
|--------------------------------------------------------------------------|----------------|----------------|
| Interest on banks loans and overdrafts                                   | 109,666        | 102,773        |
| Interest on obligations under finance leases and hire purchase contracts | 50,479         | 53,578         |
| Other interest payable and similar charges                               | <u>18,997</u>  | <u>3,167</u>   |
|                                                                          | <u>179,142</u> | <u>159,518</u> |

### 11. Tax on profit

#### Major components of tax expense

|                                                | 2018<br>£       | 2017<br>£      |
|------------------------------------------------|-----------------|----------------|
| <b>Current tax:</b>                            |                 |                |
| UK current tax expense                         | 139,250         | 84,102         |
| Adjustments in respect of prior periods        | <u>770</u>      | <u>65</u>      |
| Total current tax                              | <u>140,020</u>  | <u>84,167</u>  |
| <b>Deferred tax:</b>                           |                 |                |
| Origination and reversal of timing differences | <u>(28,000)</u> | <u>38,315</u>  |
| <b>Tax on profit</b>                           | <u>112,020</u>  | <u>122,482</u> |

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 19.33%).

|                                                    | 2018<br>£       | 2017<br>£       |
|----------------------------------------------------|-----------------|-----------------|
| Profit on ordinary activities before taxation      | <u>556,750</u>  | <u>542,055</u>  |
| Profit on ordinary activities by rate of tax       | 105,769         | 104,797         |
| Effect of expenses not deductible for tax purposes | 7,039           | 7,720           |
| Effect of capital allowances and depreciation      | 40,959          | 20,671          |
| Utilisation of tax losses                          | <u>(14,517)</u> | <u>(49,086)</u> |
| (Over)/under provision in prior year               | 770             | 65              |
| Effect of deferred tax movement                    | <u>(28,000)</u> | <u>38,315</u>   |
| <b>Tax on profit</b>                               | <u>112,020</u>  | <u>122,482</u>  |

# Bryan Hirst Limited

## Notes to the Financial Statements (continued)

### Year ended 30 November 2018

#### 12. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

|                            | 2018<br>£      | 2017<br>£      |
|----------------------------|----------------|----------------|
| Dividends on equity shares | <u>986,000</u> | <u>350,000</u> |

#### 13. Tangible assets

|                            | Land and<br>buildings<br>£ | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Equipment<br>£ | Total<br>£        |
|----------------------------|----------------------------|-----------------------------|------------------------|----------------|-------------------|
| <b>Cost</b>                |                            |                             |                        |                |                   |
| At 1 December 2017         | 5,364,747                  | 3,793,509                   | 1,509,439              | 117,049        | 10,784,744        |
| Additions                  | 201,377                    | 142,137                     | 296,726                | –              | 640,240           |
| Disposals                  | (120,000)                  | (563,480)                   | (355,759)              | –              | (1,039,239)       |
| <b>At 30 November 2018</b> | <u>5,446,124</u>           | <u>3,372,166</u>            | <u>1,450,406</u>       | <u>117,049</u> | <u>10,385,745</u> |
| <b>Depreciation</b>        |                            |                             |                        |                |                   |
| At 1 December 2017         | 332,140                    | 1,617,026                   | 1,012,322              | 101,252        | 3,062,740         |
| Charge for the year        | 45,170                     | 424,384                     | 194,406                | 15,512         | 679,472           |
| Disposals                  | –                          | (225,093)                   | (322,080)              | –              | (547,173)         |
| <b>At 30 November 2018</b> | <u>377,310</u>             | <u>1,816,317</u>            | <u>884,648</u>         | <u>116,764</u> | <u>3,195,039</u>  |
| <b>Carrying amount</b>     |                            |                             |                        |                |                   |
| <b>At 30 November 2018</b> | <u>5,068,814</u>           | <u>1,555,849</u>            | <u>565,758</u>         | <u>285</u>     | <u>7,190,706</u>  |
| At 30 November 2017        | <u>5,032,607</u>           | <u>2,176,483</u>            | <u>497,117</u>         | <u>15,797</u>  | <u>7,722,004</u>  |

Within land and buildings is land with a cost of £4,454,892 (2017: £3,106,084) on which no depreciation is charged.

#### 14. Stocks

|                               | 2018<br>£        | 2017<br>£      |
|-------------------------------|------------------|----------------|
| Raw materials and consumables | 651,236          | 561,876        |
| Development land              | <u>1,583,621</u> | <u>–</u>       |
|                               | <u>2,234,857</u> | <u>561,876</u> |

#### 15. Debtors

|                                | 2018<br>£      | 2017<br>£        |
|--------------------------------|----------------|------------------|
| Trade debtors                  | 265,216        | 442,220          |
| Prepayments and accrued income | 158,930        | 70,277           |
| Director's loan account        | 439,515        | 985,839          |
| Other debtors                  | –              | 995              |
|                                | <u>863,661</u> | <u>1,499,331</u> |

# Bryan Hirst Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

### 16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

|                          | 2018<br>£          | 2017<br>£        |
|--------------------------|--------------------|------------------|
| Cash at bank and in hand | 1,974              | 64,962           |
| Bank overdrafts          | (1,075,739)        | (618,838)        |
|                          | <u>(1,073,765)</u> | <u>(553,876)</u> |

### 17. Creditors: amounts falling due within one year

|                                                              | 2018<br>£        | 2017<br>£        |
|--------------------------------------------------------------|------------------|------------------|
| Bank loans and overdrafts                                    | 1,430,183        | 961,215          |
| Trade creditors                                              | 2,387,932        | 1,922,875        |
| Accruals and deferred income                                 | 895,815          | 1,246,914        |
| Corporation tax                                              | 223,872          | 84,102           |
| Social security and other taxes                              | 188,697          | 368,953          |
| Obligations under finance leases and hire purchase contracts | 380,061          | 531,444          |
| Other creditors                                              | 304,883          | 591,213          |
|                                                              | <u>5,811,443</u> | <u>5,706,716</u> |

The bank loan and overdraft are secured by fixed and floating charges against the Company's freehold land and property.

### 18. Creditors: amounts falling due after more than one year

|                                                              | 2018<br>£        | 2017<br>£        |
|--------------------------------------------------------------|------------------|------------------|
| Bank loans and overdrafts                                    | 1,659,613        | 2,016,860        |
| Obligations under finance leases and hire purchase contracts | 721,758          | 719,881          |
| Other creditors                                              | 1,262,938        | —                |
|                                                              | <u>3,644,309</u> | <u>2,736,741</u> |

The bank loan is secured by a fixed charge against the Company's freehold land and property.

At the balance sheet date repayable in more than 5 years in respect of bank loans is £550,274 on which an interest rate of 3.18% is being charged.

### 19. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

|                                              | 2018<br>£        | 2017<br>£        |
|----------------------------------------------|------------------|------------------|
| Not later than 1 year                        | 380,061          | 531,444          |
| Later than 1 year and not later than 5 years | 721,758          | 719,881          |
|                                              | <u>1,101,819</u> | <u>1,251,325</u> |

# Bryan Hirst Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 November 2018

### 20. Provisions

|                            | Deferred tax<br>(note 21)<br>£ |
|----------------------------|--------------------------------|
| At 1 December 2017         | 202,761                        |
| Charge against provision   | (28,000)                       |
| <b>At 30 November 2018</b> | <b><u>174,761</u></b>          |

### 21. Deferred tax

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

|                                  | 2018<br>£      | 2017<br>£      |
|----------------------------------|----------------|----------------|
| Included in provisions (note 20) | <u>174,761</u> | <u>202,761</u> |

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

|                                | 2018<br>£      | 2017<br>£      |
|--------------------------------|----------------|----------------|
| Accelerated capital allowances | <u>174,761</u> | <u>202,761</u> |

### 22. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £12,187 (2017: £7,088).

### 23. Called up share capital

#### Issued, called up and fully paid

|                            | 2018       |            | 2017       |            |
|----------------------------|------------|------------|------------|------------|
|                            | No.        | £          | No.        | £          |
| Ordinary shares of £1 each | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

### 24. Director's advances, credits and guarantees

During the current and previous year the company undertook the following transactions with the director.

|                                            | 2018<br>£ | 2017<br>£ |
|--------------------------------------------|-----------|-----------|
| Advances                                   | 439,676   | 984,674   |
| Repayments                                 | 986,000   | 350,000   |
| Amounts due to the company at the year end | 439,515   | 985,839   |
| Interest charged                           | 16,889    | 17,321    |
| Dividends paid                             | 986,000   | 350,000   |

## **Bryan Hirst Limited**

### **Notes to the Financial Statements *(continued)***

#### **Year ended 30 November 2018**

**25. Related party transactions**

At the year end the company owed £204,767 (2017: £194,837) to a company related by common control, in the form of a loan, no interest was charged on this balance.

**26. Controlling party**

The company is under the control of Mr B Hirst, the sole shareholder.