

**BROWN & MAY LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 30 NOVEMBER 2019**

**BROWN & MAY LIMITED**  
**REGISTERED NUMBER: 01661012**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 NOVEMBER 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	4	776,109	800,703
Investments	5	4	4
		<u>776,113</u>	<u>800,707</u>
<b>Current assets</b>			
Stocks		75,578	70,367
Debtors: amounts falling due within one year	6	195,417	224,228
Cash at bank and in hand		9,447	10,189
		<u>280,442</u>	<u>304,784</u>
Creditors: amounts falling due within one year	7	(267,183)	(483,886)
<b>Net current assets/(liabilities)</b>		<u>13,259</u>	<u>(179,102)</u>
<b>Total assets less current liabilities</b>		<u>789,372</u>	<u>621,605</u>
Creditors: amounts falling due after more than one year	8	(11,689)	(23,405)
<b>Provisions for liabilities</b>			
Deferred tax	10	(11,288)	(9,834)
		<u>(11,288)</u>	<u>(9,834)</u>
<b>Net assets</b>		<u><u>766,395</u></u>	<u><u>588,366</u></u>
<b>Capital and reserves</b>			
Called up share capital		2	2
Revaluation reserve	11	365,980	374,084
Profit and loss account	11	400,413	214,280
		<u><u>766,395</u></u>	<u><u>588,366</u></u>

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 30 NOVEMBER 2019**

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the income statement in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....  
**S J Appleby**  
Director

Date: 17 June 2020

The notes on pages 3 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2019**

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**1. General information**

Brown & May Limited is a private company limited by shares and incorporated in England and Wales, registration number 01661012. The registered office is Progress Way, Mid Suffolk Business Park, Langton Green, Eye, Suffolk, IP23 7HU.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**2.2 Going concern**

The Directors have considered the Company's position at the time of signing the financial statements, and in particular the current issues caused by Covid-19 and its potential impact on the Company and the wider economy. As such under the current circumstances, it is difficult to produce meaningful forecasts for the remainder of the financial year and medium term. Nevertheless, the Directors have considered the current financial strength of the Company, together with the range of measures the Directors can take to mitigate ongoing costs should they need to, and ultimately should it be required, the support now being offered by the UK government for which the Company would be eligible to apply. Based on this, the Directors have concluded that they have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future, and, based on the economic environment recovering within the timeframe currently being widely anticipated, at least twelve months from the date of signing these financial statements, they therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

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FOR THE YEAR ENDED 30 NOVEMBER 2019

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**2. Accounting policies (continued)**

**2.3 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Sale of goods**

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 Leased assets: the Company as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Income Statement so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.5 Finance costs**

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2019

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**2. Accounting policies (continued)**

**2.6 Pensions**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

**2.7 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.8 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2019

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**2. Accounting policies (continued)**

**2.8 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using both a straight line and reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Motor vehicles	- 25% reducing balance
Fixtures & fittings	- 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

**2.9 Revaluation of tangible fixed assets**

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Income Statement unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

**2.10 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Income Statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2019

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**2. Accounting policies (continued)**

**2.11 Stocks**

Stocks are stated at the lower of cost and net realisable value.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.12 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.13 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.14 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.15 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**2.16 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

**3. Employees**

The average monthly number of employees, including directors, during the year was 19 (2018 - 22).



**BROWN & MAY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2019**

**4. Tangible fixed assets**

	Land and buildings	Motor vehicles	Fixtures & fittings	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 December 2018	750,000	227,644	299,897	1,277,541
Additions	-	-	13,995	13,995
Disposals	-	(10,750)	-	(10,750)
At 30 November 2019	750,000	216,894	313,892	1,280,786
<b>Depreciation</b>				
At 1 December 2018	31,750	168,029	277,059	476,838
Charge for the year on owned assets	15,875	7,216	7,776	30,867
Charge for the year on financed assets	-	6,826	-	6,826
Disposals	-	(9,854)	-	(9,854)
At 30 November 2019	47,625	172,217	284,835	504,677
<b>Net book value</b>				
At 30 November 2019	<u>702,375</u>	<u>44,677</u>	<u>29,057</u>	<u>776,109</u>
<b>At 30 November 2018</b>	<u>718,250</u>	<u>59,615</u>	<u>22,838</u>	<u>800,703</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Motor vehicles	20,476	38,526
	<u>20,476</u>	<u>38,526</u>

A full valuation of freehold property, was performed in accordance with the guidance set by the Royal Institute of Chartered Surveyors and complies with the requirements of Financial Reporting Standard No 15 on 27 July 2017 by Chapman Chartered Surveyors of Low Common, South Lopham, Diss, IP22 2JR.

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Cost or valuation at 30 November 2019 is as follows:

	<b>Land and buildings £</b>
<b>At cost</b>	<b>435,376</b>
<b>At valuation:</b>	
Professional valuation	<u>314,624</u>
	<u><b>750,000</b></u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	<b>2019 £</b>	<b>2018 £</b>
Cost	<b>435,376</b>	435,376
Accumulated depreciation	<b>(121,176)</b>	(113,562)
	<u><b>314,200</b></u>	<u>321,814</u>
<b>Net book value</b>		

**5. Fixed asset investments**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 December 2018	<u>4</u>
At 30 November 2019	<u><b>4</b></u>

**6. Debtors**

	<b>2019 £</b>	<b>2018 £</b>
Trade debtors	<b>112,777</b>	141,519
Prepayments and accrued income	<b>82,640</b>	82,709
	<u><b>195,417</b></u>	<u>224,228</u>

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**7. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	122,668	190,715
Amounts owed to group undertakings	39,869	184,893
Corporation tax	10,260	-
Other taxation and social security	4,900	6,128
Obligations under finance lease and hire purchase contracts	8,250	14,399
Other creditors	61,777	69,357
Accruals and deferred income	19,459	18,394
	<u>267,183</u>	<u>483,886</u>

**8. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	11,689	19,939
Other creditors	-	3,466
	<u>11,689</u>	<u>23,405</u>

**Secured Loans**

The amount of secured creditors shown under net obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

There is an unlimited multilateral guarantee dated 7 October 2002 given by Brown & May Limited, Brown & May Marine Limited and Langtons Limited.

**9. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	8,250	14,399
Between 1-5 years	11,689	19,939
	<u>19,939</u>	<u>34,338</u>

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**10. Deferred taxation**

	2019 £	2018 £
At beginning of year	(9,834)	(8,809)
Charged to profit or loss	(1,454)	(1,025)
<b>At end of year</b>	<b><u>(11,288)</u></b>	<b><u>(9,834)</u></b>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(9,669)	(10,338)
Tax losses carried forward	13,217	15,351
Pension surplus	60	49
Capital Gains	(14,896)	(14,896)
	<b><u>(11,288)</u></b>	<b><u>(9,834)</u></b>

**11. Reserves****Revaluation reserve**

At 1 December 2018 revaluation reserve amounted to £374,084. Depreciation on revalued amount was £8,104. Deferred tax movement was £Nil. Revaluation reserve at 30 November 2019 amounted to £365,980.

**NOTES TO THE FINANCIAL STATEMENTS  
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**12. Related party transactions**

Brown and May Marine Limited is a wholly owned subsidiary of the company.

No transactions have been disclosed in relation to Brown and May Marine Limited, in line with the exemption contained within the Financial Reporting Standard 8.

At the year end the company owed £57,298 (2018: £53,758) to Langtons Limited, a company of which S J Appleby and S P Appleby are also directors and controlling shareholders.

At the year end the directors were owed £73 (2018: £1,597) which is repayable on demand.

The B & M Pension Scheme is a self administered scheme set up for the benefit of the directors of the company.

At the year end the B & M Pension scheme had advanced a loan totalling £3,466 (2018: £16,742) on which interest is charged at a rate of 7%. At the year end accrued interest amounts to £26 (2018: £124). The loan falls due for repayment in January 2020.

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