

Registration number: 2463833

# Britcon (UK) Limited

Annual Report and Financial Statements  
for the Year Ended 30 September 2020

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## **Britcon (UK) Limited**

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## Britcon (UK) Limited

### Strategic Report for the Year Ended 30 September 2020

The directors present their strategic report for the year ended 30 September 2020.

#### Principal activity

The principal activity of the company is that of civil engineering, general construction and structural steel design, fabrication & installation.

#### Fair review of the business

During the year end 30 September 2020 the world economy has been severely affected by the COVID-19 pandemic and the unprecedented responses it has required. This followed on the Brexit uncertainty seen at the end of 2019. These two factors meant we saw significant delays in investment decisions by our clients and the start of projects. As a result the company experienced a significant reduction in turnover and gross profit margin for the year. Whilst the pandemic poses operational challenges the measures put in place allowing the company to continue to safely operate during the pandemic. Prompt action was also taken by the management team in order to reduce costs and limit the financial impact of the reduced activity.

Despite the loss in the year, the balance sheet remains in a strong position, with net cash and cash equivalents increasing to £3,653 thousand at the year end, an increase of 43% (£2,560 thousand in 2019). The company remains in a healthy position to cope with any ongoing downturn as a result of the pandemic.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2020	2019
Turnover	£000	22,015	42,221
Turnover growth	%	(48)	(10)
Gross profit	£000	985	3,314
Gross profit margin	%	5	8
Operating profit	£000	(1,652)	284

## Britcon (UK) Limited

### Strategic Report for the Year Ended 30 September 2020

#### Principal risks and uncertainties

The company's operations will continue to be impacted by the restrictions placed on populations and economic activity as a result of the pandemic but it has a safe working process which still allows it to continue to operate at no significant increase in its cost base.

Britcon is a diverse construction business serving in the civils, steel, building and housing sectors and we believe that Britcon is well positioned to react to work opportunities that will be presented by both our public and private clients in the future. We are now seeing encouraging signs of a recovery and the company has continued to win new work and has seen increasing turnover in the new financial year. We, therefore, believe that Britcon will see a substantial improvement in financial performance the next financial year.

However, should circumstances change whereby there is a major negative impact on construction activity the company has the financial resources to ride out any enforced temporary reduction in its activity. These significant financial resources, coupled with available government support (specifically for COVID-19) give the directors confidence that the company is not at risk because of the pandemic.

The development strategy implemented in recent years of partnering with associated businesses will continue. This has proved to be a profitable area and has allowed the business to keep a diverse workload and not chase business at the price of lower margins.

Over our history, we have maximised growth and profitability in good years and weathered the downturns in bad years. We are confident that with the strong balance sheet and proven management team that the business is well placed to take full advantage of the recovery that will follow the end of the pandemic.

Approved by the Board on 21/06/21 and signed on its behalf by:



Mr S A Hunt  
Director

## **Britcon (UK) Limited**

### **Directors' Report for the Year Ended 30 September 2020**

The directors present their report and the financial statements for the year ended 30 September 2020.

#### **Directors of the company**

The directors who held office during the year were as follows:

Mr D T Hunt

Mr S A Hunt

Mrs G P Hunt

Mr J R Whitmore

Mr N R Shepherd

#### **Financial instruments**

#### ***Objectives and policies***

The directors take the management of risk very seriously and as such have policies and procedures in place which have been authorised by the Board. Managing risk is seen as a key attribute of the group, as such all prospective projects are risk assessed and approved by a Director prior to final submission. Regular Board meetings are held where current management accounts are available to highlight any financial and delivery risks to be dealt with.

#### ***Price risk, credit risk, liquidity risk and cash flow risk***

The business' principle financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the availability of cash balances and the monies held in investments. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 21/06/21 and signed on its behalf by:



Mr S A Hunt  
Director

## **Britcon (UK) Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

## **Britcon (UK) Limited**

### **Independent Auditor's Report to the Members of Britcon (UK) Limited**

#### **Opinion**

We have audited the financial statements of Britcon (UK) Limited (the 'company') for the year ended 30 September 2020, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 September 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

#### **Other information**

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

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

We have nothing to report in this regard.

## **Britcon (UK) Limited**

### **Independent Auditor's Report to the Members of Britcon (UK) Limited**

#### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

## **Britcon (UK) Limited**

### **Independent Auditor's Report to the Members of Britcon (UK) Limited**

#### **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.



Robert Smith BSc FCA (Senior Statutory Auditor)  
For and on behalf of RNS Chartered Accountants, Statutory Auditor

50-54 Oswald Road  
Scunthorpe  
North Lincolnshire  
DN15 7PQ

Date: 21-6-2021

## Britcon (UK) Limited

### Profit and Loss Account for the Year Ended 30 September 2020

	Note	2020 £	2019 £
Revenue	3	22,015,514	42,220,745
Cost of sales		<u>(21,030,589)</u>	<u>(38,906,369)</u>
Gross profit		984,925	3,314,376
Administrative expenses		<u>(2,636,821)</u>	<u>(3,030,504)</u>
Operating (loss)/profit	4	<u>(1,651,896)</u>	<u>283,872</u>
Other interest receivable and similar income	5	12,207	20,804
Interest payable and similar expenses	6	<u>-</u>	<u>(101)</u>
		<u>12,207</u>	<u>20,703</u>
(Loss)/profit before tax		(1,639,689)	304,575
Tax on (loss)/profit	10	<u>750,249</u>	<u>(55,134)</u>
(Loss)/profit for the financial year		<u><u>(889,440)</u></u>	<u><u>249,441</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

**Britcon (UK) Limited**  
**(Registration number: 2463833)**  
**Balance Sheet as at 30 September 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	11	334,943	485,044
<b>Current assets</b>			
Stocks	12	82,881	83,029
Debtors	13	7,411,236	12,574,541
Cash at bank and in hand		<u>3,653,315</u>	<u>2,560,617</u>
		11,147,432	15,218,187
<b>Creditors: Amounts falling due within one year</b>	15	<u>(5,735,971)</u>	<u>(9,052,230)</u>
<b>Net current assets</b>		<u>5,411,461</u>	<u>6,165,957</u>
<b>Total assets less current liabilities</b>		5,746,404	6,651,001
<b>Provisions for liabilities</b>	16	<u>(22,271)</u>	<u>(37,428)</u>
<b>Net assets</b>		<u>5,724,133</u>	<u>6,613,573</u>
<b>Capital and reserves</b>			
Called up share capital	18	200	200
Profit and loss account		<u>5,723,933</u>	<u>6,613,373</u>
<b>Total equity</b>		<u>5,724,133</u>	<u>6,613,573</u>

Approved and authorised by the Board on 21/08/21 and signed on its behalf by:



.....  
Mr S A Hunt  
Director

# **Britcon (UK) Limited**

## **Statement of Changes in Equity for the Year Ended 30 September 2020**

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 October 2019	200	6,613,373	6,613,573
Loss for the year	-	(889,440)	(889,440)
Total comprehensive income	-	(889,440)	(889,440)
At 30 September 2020	<u>200</u>	<u>5,723,933</u>	<u>5,724,133</u>

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 October 2018	200	6,763,932	6,764,132
Profit for the year	-	249,441	249,441
Total comprehensive income	-	249,441	249,441
Dividends	-	(400,000)	(400,000)
At 30 September 2019	<u>200</u>	<u>6,613,373</u>	<u>6,613,573</u>

# **Britcon (UK) Limited**

## **Statement of Cash Flows for the Year Ended 30 September 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
(Loss)/profit for the year		(889,440)	249,441
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	209,757	210,567
(Profit)/loss on disposal of tangible assets		(21,925)	10,752
Finance income	5	(12,207)	(20,804)
Finance costs	6	-	101
Corporation tax expense	10	(750,249)	55,134
		(1,464,064)	505,191
Working capital adjustments			
Decrease/(increase) in stocks	12	148	(11,700)
Decrease in debtors		6,011,648	198,230
Decrease in creditors	15	(3,316,259)	(2,506,324)
Cash generated from operations		1,231,473	(1,814,603)
Corporation tax paid		(113,251)	(79,337)
Net cash flow from operating activities		1,118,222	(1,893,940)
<b>Cash flows from investing activities</b>			
Interest received	5	12,207	20,804
Acquisitions of tangible assets		(63,856)	(159,388)
Proceeds from sale of tangible assets		26,125	18,900
Net cash flows from investing activities		(25,524)	(119,684)
<b>Cash flows from financing activities</b>			
Interest paid	6	-	(101)
Dividends paid	19	-	(400,000)
Net cash flows from financing activities		-	(400,101)
Net increase/(decrease) in cash and cash equivalents		1,092,698	(2,413,725)
Cash and cash equivalents at 1 October		2,560,617	4,974,342
Cash and cash equivalents at 30 September	14	3,653,315	2,560,617

The notes on pages 12 to 22 form an integral part of these financial statements.

## **Britcon (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2020**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

26-30 Midland Road  
Scunthorpe  
North Lincolnshire  
DN16 1DQ

Registered number: 2463833

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

##### **Contract revenue recognition**

Turnover is only recognised on a construction contract where the outcome can be estimated reliably. Turnover and costs are recognised by reference to the stage of completion of contract activity at the year end date. This is normally measured by surveys of work performed to date. Contracts are only treated as construction contracts when they have been specifically negotiated for the construction of a development or property.

Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity;
- and specific criteria have been met for each of the company's activities.

##### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current 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 taxable income.

## **Britcon (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2020**

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

#### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	20% per annum on cost
Motor vehicles	25% per annum on cost
Long leasehold property	20% per annum on cost

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

## **Britcon (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2020**

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

## Britcon (UK) Limited

### Notes to the Financial Statements for the Year Ended 30 September 2020

#### 3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2020	2019
	£	£
Contract revenue	<u>22,015,514</u>	<u>42,220,745</u>

Contract revenue is determined based on the completion stage of the project. Qualified Quantity Surveyors are employed to ensure this is done accurately.

The amount of contract revenue recognised as revenue in the year was £22,015,514 (2019 - £42,220,745).

The gross amount due from customers for contract work, included in debtors at 30 September 2020, was £1,170,208 (2019 - £3,906,523).

The gross amount due to customers for contract work, included in creditors at 30 September 2020, was £431,823 (2019 - £1,943,030).

#### 4 Operating (loss)/profit

Arrived at after charging/(crediting)

	2020	2019
	£	£
Depreciation expense	209,757	210,567
Operating lease expense - property	140,722	136,751
(Profit)/loss on disposal of property, plant and equipment	<u>(21,925)</u>	<u>10,752</u>

#### 5 Other interest receivable and similar income

	2020	2019
	£	£
Interest income on bank deposits	7,220	20,174
Other finance income	<u>4,987</u>	<u>630</u>
	<u>12,207</u>	<u>20,804</u>

#### 6 Interest payable and similar expenses

	2020	2019
	£	£
Interest expense on other finance liabilities	<u>-</u>	<u>101</u>

## Britcon (UK) Limited

### Notes to the Financial Statements for the Year Ended 30 September 2020

#### 7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020	2019
	£	£
Wages and salaries	3,086,124	3,712,615
Social security costs	127,752	454,508
Pension costs, defined contribution scheme	104,933	98,651
	<u>3,318,809</u>	<u>4,265,774</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2020	2019
	No.	No.
Production	61	71
Administration and support	16	16
Other departments	4	5
	<u>81</u>	<u>92</u>

#### 8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020	2019
	£	£
Remuneration	194,823	363,445
Contributions paid to money purchase schemes	4,543	38,701
	<u>199,366</u>	<u>402,146</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2020	2019
	No.	No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

#### 9 Auditors' remuneration

	2020	2019
	£	£
Audit of the financial statements	<u>8,901</u>	<u>8,905</u>

## Britcon (UK) Limited

### Notes to the Financial Statements for the Year Ended 30 September 2020

#### 10 Taxation

Tax charged in the profit and loss account

	2020 £	2019 £
<b>Current taxation</b>		
UK corporation tax	(216,925)	58,694
UK corporation tax adjustment to prior periods	<u>(518,167)</u>	<u>-</u>
	(735,092)	58,694
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>(15,157)</u>	<u>(3,560)</u>
Tax (receipt)/expense in the profit and loss account	<u><u>(750,249)</u></u>	<u><u>55,134</u></u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
(Loss)/profit before tax	<u>(1,639,689)</u>	<u>304,575</u>
Corporation tax at standard rate	(311,541)	57,869
Effect of expense not deductible in determining taxable profit	154	2,015
Effect of tax losses	269,878	-
Deferred tax credit	(15,157)	(3,560)
Tax increase from effect of capital allowances and depreciation	15,157	3,560
Tax decrease from changes in pension accrual	(6,650)	(4,750)
Research and development enhanced relief	(183,923)	-
Prior period over provision	<u>(518,167)</u>	<u>-</u>
Total tax (credit)/charge	<u><u>(750,249)</u></u>	<u><u>55,134</u></u>

# **Britcon (UK) Limited**

## **Notes to the Financial Statements for the Year Ended 30 September 2020**

### **Deferred tax**

Deferred tax assets and liabilities

	<b>Liability £</b>
<b>2020</b>	
Difference between accumulated depreciation and amortisation and capital allowances	<u>22,171</u>

	<b>Liability £</b>
<b>2019</b>	
Difference between accumulated depreciation and amortisation and capital allowances	<u>37,428</u>

### **11 Tangible assets**

	<b>Long leasehold land and buildings £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 October 2019	106,759	916,983	685,415	1,709,157
Additions	-	63,856	-	63,856
Disposals	<u>-</u>	<u>(12,000)</u>	<u>(101,601)</u>	<u>(113,601)</u>
At 30 September 2020	<u>106,759</u>	<u>968,839</u>	<u>583,814</u>	<u>1,659,412</u>
<b>Depreciation</b>				
At 1 October 2019	106,759	701,537	415,817	1,224,113
Charge for the year	-	94,476	115,281	209,757
Eliminated on disposal	<u>-</u>	<u>(7,800)</u>	<u>(101,601)</u>	<u>(109,401)</u>
At 30 September 2020	<u>106,759</u>	<u>788,213</u>	<u>429,497</u>	<u>1,324,469</u>
<b>Carrying amount</b>				
At 30 September 2020	<u>-</u>	<u>180,626</u>	<u>154,317</u>	<u>334,943</u>
At 30 September 2019	<u>-</u>	<u>215,446</u>	<u>269,598</u>	<u>485,044</u>

### **12 Stocks**

	<b>2020 £</b>	<b>2019 £</b>
Raw materials and consumables	<u>82,881</u>	<u>83,029</u>

## Britcon (UK) Limited

### Notes to the Financial Statements for the Year Ended 30 September 2020

#### 13 Debtors

	2020 £	2019 £
Trade debtors	4,727,870	9,777,960
Amounts owed by group undertakings	1,565,049	2,580,411
Other debtors	-	6,006
Prepayments and accrued income	249,331	189,521
Corporation tax	868,986	20,643
	<u>7,411,236</u>	<u>12,574,541</u>
Less non-current portion	-	(44,249)
Total current trade and other debtors	<u>7,411,236</u>	<u>12,530,292</u>

#### Details of non-current trade and other debtors

£Nil (2019 -£44,249) of trade debtors is classified as non current.

#### 14 Cash and cash equivalents

	2020 £	2019 £
Cash on hand	8,280	2,310
Cash at bank	<u>3,645,035</u>	<u>2,558,307</u>
	<u>3,653,315</u>	<u>2,560,617</u>

#### 15 Creditors

	2020 £	2019 £
<b>Due within one year</b>		
Trade creditors	3,148,358	6,503,597
Amounts due to group undertakings	630,860	679,682
Social security and other taxes	738,131	509,591
Outstanding defined contribution pension costs	3,665	53,849
Other creditors	119,838	114,516
Accrued expenses and deferred income	<u>1,095,119</u>	<u>1,190,995</u>
	<u>5,735,971</u>	<u>9,052,230</u>

## Britcon (UK) Limited

### Notes to the Financial Statements for the Year Ended 30 September 2020

#### 16 Deferred tax provision

	Deferred tax £	Total £
At 1 October 2019	37,428	37,428
Decrease in existing provisions	<u>(15,157)</u>	<u>(15,157)</u>
At 30 September 2020	<u>22,271</u>	<u>22,271</u>

#### 17 Pension and other schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £104,933 (2019 - £98,651).

Contributions totalling £3,665 (2019 - £53,849) were payable to the scheme at the end of the year and are included in creditors.

#### 18 Share capital

##### Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary A shares of £1 each	170	170	170	170
Ordinary B shares of £1 each	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>
	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

##### Rights, preferences and restrictions

Ordinary A shares have the following rights, preferences and restrictions:

Ordinary A shares have full rights in the company regarding voting, dividends and capital distribution.

Ordinary B shares have the following rights, preferences and restrictions:

Ordinary B shares are limited on income and capital distribution to shares or earnings from 30 September 2015.

## Britcon (UK) Limited

### Notes to the Financial Statements for the Year Ended 30 September 2020

#### 19 Dividends

##### Final dividends paid

	2020 £	2019 £
Final dividend of £Nil (2019 - £2,000) per each Ordinary A shares	-	340,000
Final dividend of £Nil (2019 - £2,000) per each Ordinary B shares	-	60,000
	<u>-</u>	<u>400,000</u>

#### 20 Contingent liabilities

Since the year end, a litigation against the company has commenced in relation to an incident from 2018. Legal counsel have advised that it is likely to be successful. Neither the amount or timing of the compensation can be reasonably estimated at this time. The settlement will not have an impact on going concern, or upon the ability of the company to continue to trade successfully.

#### 21 Related party transactions

##### Mr P Clarkson (resigned 18.04.2019) and Mr J Whitmore

During the previous year dividends paid to these directors, in their capacity as shareholders, were £20,000. At the balance sheet date, the amount due to the directors was £nil (2019 - £20,000).

##### Summary of transactions with parent

###### Hunt Group Limited

(Parent company)

During the year the company sold goods to the value of £nil (2019 - £392,547) to, and purchased goods and services to the value of £232,818 (2019 - £207,477) from the parent company.

At the balance sheet date the amount due to the parent company was £114,361 (2019 - due from the parent company £323,554).

##### Summary of transactions with entities with joint control or significant interest

###### Group companies

(Intercompany transactions)

During the year the company sold goods to the value of £3,918,997 (2019 - £6,925,781) to, and purchased goods and services to the value of £2,972,846 (2019 - £4,143,710) from group companies.

At the balance sheet date the amount due from group companies was £1,048,551 (2019 - £1,577,175).

## **Britcon (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2020**

#### **22 Parent and ultimate parent undertaking**

The company's immediate parent is Hunt Group Limited, incorporated in England.

The ultimate controlling party is Mr D T Hunt, a director of the company.

The parent of the largest group in which these financial statements are consolidated is Hunt Group Limited, incorporated in England.

The address of Hunt Group Limited is:

26-30 Midland Road

Scunthorpe

North Lincolnshire

DN16 1DQ