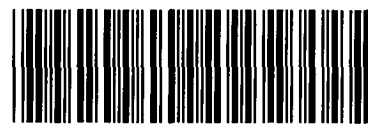


COMPANY REGISTRATION NUMBER: 00782931

**BREYER GROUP PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MAY 2016**

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BREYER GROUP PLC
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

T Breyer
W M Hand
N Fisher
R Reynolds (non-executive)
Ms A Dyer
N Watts
J Walsh

Company secretary

H M Breyer

Registered office

Faringdon Avenue
Harold Hill
Romford
Essex
RM3 8ST

Auditor

BSG Valentine
Chartered accountant & statutory auditor
Lynton House
7 - 12 Tavistock Square
London
WC1H 9BQ

BREYER GROUP PLC
FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2016

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BREYER GROUP PLC
DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 MAY 2016

Financial instruments

The company holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations;
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and (c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk. The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Liquidity risk

The directors have policies in place to manage the company's exposure to liquidity risk.

Currency risk

The directors do not believe the company has any exposure to currency risk.

Fair values of financial assets and liabilities

The directors consider that the carrying amounts of all financial assets and liabilities equates to their fair values.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the company has chosen to set out the information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 in its strategic report, which can be found on page 2.

Directors' responsibilities statement

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

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

BREYER GROUP PLC
DIRECTORS' REPORT
YEAR ENDED 31 MAY 2016

The directors present their report and the financial statements of the company for the year ended 31 May 2016.

Directors

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

T Breyer
W M Hand
N Fisher
R Reynolds (non-executive)
Ms A Dyer
N Watts
J Walsh

Dividends

The directors do not recommend the payment of a dividend.

Future developments

The directors continue to review the marketplace and look for investments in future profitable projects.

Employment of disabled persons

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the company's profit sharing schemes and are encouraged to invest in the company through participation in share option schemes.

BREYER GROUP PLC
STRATEGIC REPORT
YEAR ENDED 31 MAY 2016

Principal risks and uncertainties

The significant risks faced by the company are: inflation risks, employment levels, and economic factors.

Fair review of the business

The key financial highlights are as follows:

	2016	2015
Turnover	£92.4m	£99.1m
Turnover growth	(6.8%)	8.6%
Gross profit %	20.89%	19.11%
Profit before tax	£316k	£431k
Current ratio	1.26	1.31
Sales/Shareholders funds	11.00	12.15

The results have been broadly in line with the previous year. The company continues to focus on providing value added services for key clients. It is expected that margin will improve slowly and steadily as the company continues to focus on margin and efficiency. Turnover is expected to remain stable.

This report was approved by the board of directors on 14 Nov 2016 and signed on behalf of the board by:


T Breyer
Director

Registered office:
Faringdon Avenue
Harold Hill
Romford
Essex
RM3 8ST

BREYER GROUP PLC
DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 MAY 2016

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.


The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

This report was approved by the board of directors on 1st Dec 2016 and signed on behalf of the board by:



T Breyer
Director

Registered office:
Faringdon Avenue
Harold Hill
Romford
Essex
RM3 8ST

BREYER GROUP PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BREYER GROUP PLC

YEAR ENDED 31 MAY 2016

We have audited the financial statements of Breyer Group Plc for the year ended 31 May 2016 which comprise the statement of income and retained earnings, statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BREYER GROUP PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BREYER GROUP PLC

(continued)

YEAR ENDED 31 MAY 2016

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and 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.



Daniel Burke (Senior Statutory Auditor)

For and on behalf of
BSG Valentine
Chartered accountant & statutory auditor

Lynton House
7 - 12 Tavistock Square
London
WC1H 9BQ

4.11.16

BREYER GROUP PLC
STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED 31 MAY 2016

	Note	2016 £	2015 £
Turnover	3	92,363,820	99,113,016
Cost of sales		(73,065,493)	(80,172,705)
Gross profit		<u>19,298,327</u>	<u>18,940,311</u>
Administrative expenses		(19,363,381)	(19,198,176)
Other operating income	4	<u>551,656</u>	<u>805,258</u>
Operating profit	5	<u>486,602</u>	<u>547,393</u>
Other interest receivable and similar income		504	1,483
Interest payable and similar charges	9	<u>(171,288)</u>	<u>(118,291)</u>
Profit on ordinary activities before taxation		<u>315,818</u>	<u>430,585</u>
Tax on profit on ordinary activities	10	<u>(75,956)</u>	<u>(98,984)</u>
Profit for the financial year and total comprehensive income		<u><u>239,862</u></u>	<u><u>331,601</u></u>
Retained earnings at the start of the year		<u>8,108,653</u>	<u>7,777,052</u>
Retained earnings at the end of the year		<u><u>8,348,515</u></u>	<u><u>8,108,653</u></u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 21 form part of these financial statements.

BREYER GROUP PLC
STATEMENT OF FINANCIAL POSITION
31 MAY 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	2,032,754	2,124,899
Investments	12	30,103	30,103
		<u>2,062,857</u>	<u>2,155,002</u>
Current assets			
Stocks	13	1,476,632	654,597
Debtors	14	32,395,166	29,659,735
Cash at bank and in hand	15	2,064	2,174,662
		<u>33,873,862</u>	<u>32,488,994</u>
Creditors: amounts falling due within one year	16	<u>(26,088,204)</u>	<u>(24,826,278)</u>
Net current assets		<u>7,785,658</u>	<u>7,662,716</u>
Total assets less current liabilities		<u>9,848,515</u>	<u>9,817,718</u>
Creditors: amounts falling due after more than one year	17	<u>(1,450,000)</u>	<u>(1,659,065)</u>
Net assets		<u><u>8,398,515</u></u>	<u><u>8,158,653</u></u>
Capital and reserves			
Called up share capital	20	50,000	50,000
Profit and loss account	21	8,348,515	8,108,653
Shareholders funds		<u><u>8,398,515</u></u>	<u><u>8,158,653</u></u>

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



T Breyer
Director

Company registration number: 00782931

The notes on pages 10 to 21 form part of these financial statements.

BREYER GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2016

1. 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'.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

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

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 June 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 27.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Breyer Holdings Limited which can be obtained from Faringdon Avenue, Harold Hill, Romford, Essex RM3 8ST. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce and has not published consolidated accounts.

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

There are no significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies.

BREYER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MAY 2016

2. 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:

Depreciation - based on the useful economic life of an asset.

Stock valuation - based on the lower of cost and estimated net realisable value

Accrued revenue and cost - based on the % of jobs completed

Revenue recognition

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

When the outcome of a contract can be measured reliably, the entity will recognise both income and costs by reference to the percentage of completion of the contract. If the outcome cannot be reliably measured, all costs are expensed and revenue is only recognised to the extent that it is probable that costs are recoverable.

When it is probable that a loss will occur on a contract, this is recognised in full immediately as an onerous contract provision.

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.

Operating leases

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

BREYER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MAY 2016

2. Accounting policies *(continued)*

Tangible assets

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

Depreciation

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

Freehold property	- 2% on cost
Plant and machinery	- 33.33% straight line method
Fixtures and fittings	- 33.33% and 20% straight line method
Motor vehicles	- 33.33% straight line method on cost less residual value
Equipment	- 33.33% straight line method

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

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.

BREYER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MAY 2016

2. Accounting policies *(continued)*

Finance leases and hire purchase contracts *(continued)*

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.

Defined contribution plans

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account. The money purchase scheme allows the employee to take the pension with him if he is to depart from the company.

Employee benefit trust

The company has established trusts for the benefit of employees and certain of their dependents. Monies held in these trusts are held by independent trustees and managed at their discretion.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

3. Turnover

Turnover arises from:

	2016	2015
	£	£
Construction contracts	<u>92,363,820</u>	<u>99,113,016</u>

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

4. Other operating income

	2016	2015
	£	£
Other operating income	<u>551,656</u>	<u>805,258</u>

BREYER GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MAY 2016

5. Operating profit

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible assets	183,271	159,217
Loss/(gains) on disposal of tangible assets	1,908	(3,366)
Defined contribution plans expense	<u>832,383</u>	<u>754,667</u>

6. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>25,350</u>	<u>57,774</u>

7. Staff costs

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

	2016	2015
	No	No
Production staff	126	264
Administrative staff	289	141
Management staff	15	15
	<u>430</u>	<u>420</u>

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

	2016	2015
	£	£
Wages and salaries	14,298,392	13,957,803
Social security costs	1,435,845	1,370,583
Other pension costs	832,383	754,667
	<u>16,566,620</u>	<u>16,083,053</u>

8. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2016	2015
	£	£
Remuneration	851,963	743,973
Company contributions to defined contribution pension plans	80,849	61,806
	<u>932,812</u>	<u>805,779</u>

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

	2016	2015
	No	No
Defined contribution plans	<u>6</u>	<u>6</u>

BREYER GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MAY 2016

8. Directors' remuneration *(continued)*

Remuneration of the highest paid director in respect of qualifying services:

	2016	2015
	£	£
Aggregate remuneration	151,280	151,280
Company contributions to defined contribution pension plans	13,728	13,728
	<u>165,008</u>	<u>165,008</u>

9. Interest payable and similar charges

	2016	2015
	£	£
Interest on banks loans and overdrafts	119,460	64,224
Interest on obligations under finance leases and hire purchase contracts	4,959	5,467
Other interest payable and similar charges	46,869	48,600
	<u>171,288</u>	<u>118,291</u>

10. Tax on profit on ordinary activities

Major components of tax expense

	2016	2015
	£	£
Current tax:		
UK current tax expense	75,956	98,984
Tax on profit on ordinary activities	<u>75,956</u>	<u>98,984</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 21%).

	2016	2015
	£	£
Profit on ordinary activities before taxation	315,818	430,585
Profit on ordinary activities by rate of tax	63,164	90,423
Effect of expenses not deductible for tax purposes	10,069	11,092
Effect of capital allowances and depreciation	2,723	(10,033)
Other tax adjustments	–	7,502
Tax on profit on ordinary activities	<u>75,956</u>	<u>98,984</u>

BREYER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MAY 2016

11. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost						
At 1 Jun 2015	1,910,000	6,370	390,110	386,966	814,343	3,507,789
Additions	–	–	75,975	–	31,152	107,127
Disposals	–	–	–	(136,540)	–	(136,540)
At 31 May 2016	<u>1,910,000</u>	<u>6,370</u>	<u>466,085</u>	<u>250,426</u>	<u>845,495</u>	<u>3,478,376</u>
Depreciation						
At 1 Jun 2015	33,421	6,367	319,583	338,099	685,420	1,382,890
Charge for the year	33,421	–	55,483	4,000	90,367	183,271
Disposals	–	–	–	(120,539)	–	(120,539)
At 31 May 2016	<u>66,842</u>	<u>6,367</u>	<u>375,066</u>	<u>221,560</u>	<u>775,787</u>	<u>1,445,622</u>
Carrying amount						
At 31 May 2016	<u>1,843,158</u>	<u>3</u>	<u>91,019</u>	<u>28,866</u>	<u>69,708</u>	<u>2,032,754</u>
At 31 May 2015	<u>1,876,579</u>	<u>3</u>	<u>70,527</u>	<u>48,867</u>	<u>128,923</u>	<u>2,124,899</u>

12. Investments

	Shares in group undertakings £	Shares in participating interests £	Total £
Cost			
At 1 Jun 2015 and 31 May 2016	<u>103</u>	<u>30,000</u>	<u>30,103</u>
Impairment			
At 1 Jun 2015 and 31 May 2016	<u>–</u>	<u>–</u>	<u>–</u>
Carrying amount			
At 31 May 2016	<u>103</u>	<u>30,000</u>	<u>30,103</u>

The company owns 100% of the issued ordinary share capital of the companies listed below. Both subsidiaries are incorporated in the United Kingdom and have been dormant for the years ended 31 May 2016 and 31 May 2015.

	£	£
Aggregate capital and reserves		
F H Breyer (Asphalte) Limited	100	100
Assured Waterproof Limited	3	3

In addition to the above, as at the Balance Sheet date the company held 30% interest in Pyramid Plus London LLP, an entity incorporated in the United Kingdom.

BREYER GROUP PLC
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MAY 2016

13. Stocks

	2016	2015
	£	£
Raw materials and consumables	25,023	41,956
Work in progress	1,451,609	612,641
	<u>1,476,632</u>	<u>654,597</u>

14. Debtors

	2016	2015
	£	£
Trade debtors	29,958,831	26,719,994
Amounts owed by group undertakings	1,150,519	1,294,974
Prepayments and accrued income	258,398	594,203
Other debtors	1,027,418	1,050,564
	<u>32,395,166</u>	<u>29,659,735</u>

Of the amount of £32,349,566 (2015: £29,663,084) of debtors held by the company, £1,015,096 (2015: £1,015,096) is held to the company's order by the Trustees of an Employee Benefit Trust.

15. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2016	2015
	£	£
Cash at bank and in hand	2,064	2,174,662
Bank overdrafts	(974,444)	–
	<u>(972,380)</u>	<u>2,174,662</u>

16. Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	1,174,444	226,764
Trade creditors	16,934,704	17,095,773
Accruals and deferred income	4,936,400	4,857,201
Corporation tax	75,956	42,626
Social security and other taxes	1,857,625	1,444,403
Obligations under finance leases and hire purchase contracts	9,065	13,597
Director loan accounts	1,064,621	1,021,715
Other creditors	35,389	124,199
	<u>26,088,204</u>	<u>24,826,278</u>

BREYER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MAY 2016

16. Creditors: amounts falling due within one year (continued)

The bank loans and overdraft facility are secured by:

- 1) a debenture from Breyer Group Plc,
- 2) an omnibus guarantee and set off agreement among the Bank, Breyer Group Plc, Breyer Holdings Limited and Breyer Developments Limited, and
- 3) a first legal charge from Breyer Group Plc over commercial freehold property at Silverclad House, Farringdon Avenue, Harold Hill, Romford.

Hire purchase agreements are secured over the assets financed by the agreement.

17. Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loans and overdrafts	1,450,000	1,650,000
Obligations under finance leases and hire purchase contracts	–	9,065
	<u>1,450,000</u>	<u>1,659,065</u>

See note 16 for details of secured assets.

18. Finance leases and hire purchase contracts

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

	2016 £	2015 £
Not later than 1 year	9,065	13,597
Later than 1 year and not later than 5 years	–	9,065
	<u>9,065</u>	<u>22,662</u>

19. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £832,383 (2015: £754,667).

20. Called up share capital

Authorised share capital

	2016		2015	
	No	£	No	£
Ordinary 'A' shares of £1 each	95,000	95,000	95,000	95,000
Ordinary 'B' shares of £1 each	5,000	5,000	5,000	5,000
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

BREYER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MAY 2016

20. Called up share capital (continued)

Issued, called up and fully paid

	2016		2015	
	No	£	No	£
Ordinary 'A' shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

The Ordinary A and B shares have the same voting rights.

21. Reserves

Called up share capital - This represents the nominal value of shares that have been issued.

Profit and loss account - This reserve records retained earnings and accumulated losses.

22. Operating leases

As lessor

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

	2016	2015
	£	£
Not later than 1 year	3,411	14,914
Later than 1 year and not later than 5 years	<u>—</u>	<u>3,411</u>
	<u>3,411</u>	<u>18,325</u>

23. Contingencies

Contingent assets

The company is party to an on-going claim relating to decisions taken by DECC in respect of the feed-in tariff. Hearings to consider preliminary issues relating to the case have taken place in the High Court and Court of Appeal. They resulted in favourable judgements being handed down on 9 July 2014 and 28 April 2015 in respect of the potential entitlement to substantial damages for the claimants, of which Breyer is a co-litigant. The Court has now ordered that the trial is to take place during the first available convenient period from 21 January 2018, with the actual trial date to be confirmed shortly. The benefits of the potential income and asset have not been included in the company's Profit and Loss Account or Balance Sheet at this stage but the costs relating to the claim have been charged to the company's Profit and Loss account as incurred.

24. Directors' advances, credits and guarantees

At the year end the company owed £1,064,621 (2015: £1,021,715) to T Breyer. Interest of £46,869 (2015: £48,600) has been charged. The loan including all interest accrued is secured by a fixed and floating charge on all assets of the company through a debenture dated 02 March 2012.

BREYER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MAY 2016

25. Related party transactions

The ultimate controlling party is Mr T Breyer.

The company has taken advantage of the exemption available under paragraph 33.1A of FRS 102 not to disclose any transaction or balances between the group entities that have been eliminated on consolidation.

During the year the company was invoiced £22,000 (2015: £28,626) by Reynolds Consulting 2020 Limited, a company related by virtue of common directorship, in relation to consultancy services provided. At the year end the company owed £2,400 (2015: £2,400) to Reynolds Consulting 2020 Limited.

26. Controlling party

The immediate and ultimate parent undertaking for which consolidated financial statements are prepared is Breyer Holdings Limited, a company incorporated and registered in England and Wales.

27. Transition to FRS 102

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

Reconciliation of equity

	1 June 2014			31 May 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Fixed assets	2,207,471	–	2,207,471	2,228,423	(73,421)	2,155,002
Current assets	30,786,005	–	30,786,005	32,488,994	–	32,488,994
Creditors: amounts falling due within one year	(24,959,740)	(160,306)	(25,120,046)	(24,625,232)	(201,046)	(24,826,278)
Net current assets	5,826,265	(160,306)	5,665,959	7,863,762	(201,046)	7,662,716
Total assets less current liabilities	8,033,736	(160,306)	7,873,430	10,092,185	(274,467)	9,817,718
Creditors: amounts falling due after more than one year	(46,378)	–	(46,378)	(1,659,065)	–	(1,659,065)
Net assets	7,987,358	(160,306)	7,827,052	8,433,120	(274,467)	8,158,653
Capital and reserves	7,987,358	(160,306)	7,827,052	8,433,120	(274,467)	8,158,653

BREYER GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MAY 2016

27. Transition to FRS 102 (continued)

Reconciliation of profit or loss for the year

	Year ended 31 May 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Turnover	99,113,016	–	99,113,016
Cost of sales	(80,172,705)	–	(80,172,705)
Gross profit	18,940,311	–	18,940,311
Administrative expenses	(19,155,747)	(42,429)	(19,198,176)
Other operating income	805,258	–	805,258
Operating profit	589,822	(42,429)	547,393
Other interest receivable and similar income	1,483	–	1,483
Interest payable and similar charges	(118,291)	–	(118,291)
Tax on profit on ordinary activities	(98,984)	–	(98,984)
Profit for the financial year	<u>374,030</u>	<u>(42,429)</u>	<u>331,601</u>

Holiday pay accrual

Under previous UK GAAP, the company accrued for holiday pay where this was expected to be paid as a cash sum where the employee was entitled to carry forward holidays earned indefinitely. However, the company did not accrue for holiday pay that was earned but the holiday entitlement was expected to be taken in the subsequent financial year. Under FRS 102, the company is required to accrue for all short-term compensated absences as holiday entitlement earned but not taken at the date of the statement of financial position. The impact is to increase holiday pay accrued by £160,306 and £201,046 for the company at 1 June 2015 and 31 May 2015 respectively.

Transitional relief

On transition to FRS 102 from previous UK GAAP, the company has taken advantage of transitional relief as follows:

Freehold property

The company has elected to treat the carrying amount of freehold property under previous UK GAAP at the date of transition as deemed cost on transition to FRS 102.