

Registration number: 00115131

Francis W Birkett & Sons Limited

Annual Report and Financial Statements

for the Year Ended 30 June 2016

Walker Hubble
5 Parsons Street
Dudley
West Midlands
DY1 1JJ



Francis W Birkett & Sons Limited

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Francis W Birkett & Sons Limited

Company Information

Directors Michael James Richards
James Michael Salisbury
Robert John Salisbury

Registered office 1 Doulton Road
Cradley Heath
West Midlands
B64 5QS

Bankers Barclays Bank Plc
Birmingham
15 Colmore Row
Birmingham
B3 2EP

Auditors Walker Hubble
5 Parsons Street
Dudley
West Midlands
DY1 1JJ

Francis W Birkett & Sons Limited

Strategic Report for the Year Ended 30 June 2016

The Directors present their strategic report for the year ended 30 June 2016.

Principal activity

The principal activity of the company continues to be the manufacture and sale of non ferrous components.

Fair review of the business

The company did not enjoy as successful a year as the previous financial period although it did remain profitable, recording an operating profit of £15,078. The new customer taken on board in the previous financial year had produced exceptional demand during this period as the transition to obtaining its supply from the Company occurred which included a significant re stocking exercise. This change alongside a generally weak marketplace saw a significant fall in revenue, on a comparable period basis revenue fell by 31%. Furthermore price pressure, notably from the new customer following their business becoming embedded in the Company, has impacted both revenue and margins.

It is therefore pleasing that the business has managed to remain profitable against the backdrop of revenue reduction and price pressure. This has been achieved by overhead cost control, administration costs being £78,193 lower for the 12 months in the current financial year compared to a 10 month period reported for the previous financial period.

The Directors expect revenue and profitability to increase in the coming financial year as activity levels have been experiencing an upturn and new customers won by the Group has yielded some more machining revenue streams for the Company.

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

	Unit	2016	2015
Turnover	£	3,152,262	3,814,492
Turnover per employee	£	60,620	93,416
Gross Profit	£	651,446	925,057
Gross Profit %	%	21	24
EBITDA (before exceptional costs)	£	90,442	346,731
EBITDA %	%	3	9

2015 figures are based on a 10 month period.

Principal risks and uncertainties

The management continually monitors the key risks facing the business as well as assessing the controls used for managing these risks.

The markets the company mainly operates in expose it to a demand led by oil and gas prices. The oil price remains low and large scale infrastructure projects and the ancillary work this creates has been reduced which has meant the Company is continuing to explore new markets including obtaining regulatory approvals to serve these markets and reduce its exposure to the oil and gas sector.

The metal content of the Company's product expose it to fluctuations in metal prices. The Company manages this by purchasing strategies and sales contracts linked to material prices.

Approved by the Board on 16 March 2017 and signed on its behalf by:



Michael James Richards
Director

Francis W Birkett & Sons Limited

Directors' Report for the Year Ended 30 June 2016

The Directors present their report and the financial statements for the year ended 30 June 2016.

Directors of the Company

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

Michael James Richards

James Michael Salisbury

Robert John Salisbury

Financial instruments

Objectives and policies

The company's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The company does not use derivative financial instruments for speculative purposes.

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

Price risk:

The Company is exposed to commodity price risk. The Company does not manage its exposure to commodity price risk where it is considered financially appropriate, presently this is only in respect of metal purchasing.

Credit risk:

The Company's principle financial assets are bank balances and cash, trade and other receivables.

The Company's credit risk is primarily attributed to trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

The Company has no significant concentration of credit risk, with exposure spread over a large number of customers.

Liquidity risk:

The Company has funded and intends to continue funding its ongoing operations and future developments through cash generated from operating activities and secured bank borrowings.

Cash flow risk:

The Company is not significantly exposed to the financial risk of foreign currency exchange rates. Interest bearing assets are held at fixed rates to ensure certainty of cash flows.

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.

Francis W Birkett & Sons Limited

Directors' Report for the Year Ended 30 June 2016 (continued)

Reappointment of auditors

The auditors Walker Hubble are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 16 March 2017 and signed on its behalf by:



.....
Michael James Richards
Director

Francis W Birkett & Sons Limited

Statement of Directors' Responsibilities

The Directors are responsible 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 has 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.

Francis W Birkett & Sons Limited

Independent Auditor's Report

We have audited the financial statements of Francis W Birkett & Sons Limited for the year ended 30 June 2016, set out on pages 8 to 24. 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).

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.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), 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 (APB's) Ethical Standards for Auditors to the financial statements.

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 Annual 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Francis W Birkett & Sons Limited

Independent Auditor's Report (continued)

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.



.....
Gavin Richard Pearson FCCA (Senior Statutory Auditor)
For and on behalf of Walker Hubble, Statutory Auditor

5 Parsons Street
Dudley
West Midlands
DY1 1JJ

16 March 2017

Francis W Birkett & Sons Limited

Statement of Income and Retained Earnings for the Year Ended 30 June 2016

		Year ended 30 June 2016	1 September 2014 to 30 June 2015
	Note	£	£
Turnover	3	3,152,262	3,814,492
Cost of sales		<u>(2,500,816)</u>	<u>(2,889,435)</u>
Gross profit		651,446	925,057
Administrative expenses		<u>(636,368)</u>	<u>(714,561)</u>
Operating profit	4	<u>15,078</u>	<u>210,496</u>
Interest payable and similar charges	5	<u>(512)</u>	<u>-</u>
		<u>(512)</u>	<u>-</u>
Profit before tax		14,566	210,496
Taxation	8	<u>(5,996)</u>	<u>(44,516)</u>
Profit for the financial year		8,570	165,980
Retained earnings brought forward		398,203	224,911
Restatements of retained earnings		<u>8,774</u>	<u>7,312</u>
Retained earnings carried forward		<u><u>415,547</u></u>	<u><u>398,203</u></u>

The notes on pages 11 to 24 form an integral part of these financial statements.

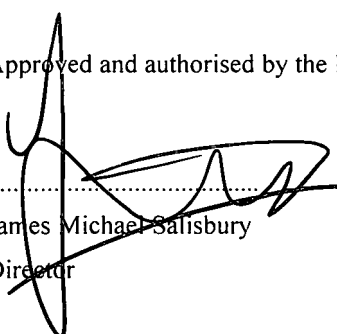
Francis W Birkett & Sons Limited

(Registration number: 00115131)

Balance Sheet as at 30 June 2016

	Note	30 June 2016 £	30 June 2015 £
Fixed assets			
Intangible assets	9	1,613	5,051
Tangible assets	10	<u>1,341,177</u>	<u>1,330,158</u>
		<u>1,342,790</u>	<u>1,335,209</u>
Current assets			
Stocks	11	526,684	770,996
Debtors	12	3,417,007	1,908,901
Cash at bank and in hand		<u>412</u>	<u>562,865</u>
		3,944,103	3,242,762
Creditors: Amounts falling due within one year	14	<u>(1,814,891)</u>	<u>(1,172,110)</u>
Net current assets		<u>2,129,212</u>	<u>2,070,652</u>
Total assets less current liabilities		3,472,002	3,405,861
Creditors: Amounts falling due after more than one year	14	(46,200)	-
Provisions for liabilities	15	<u>(12,858)</u>	<u>(1,487)</u>
Net assets		<u><u>3,412,944</u></u>	<u><u>3,404,374</u></u>
Capital and reserves			
Called up share capital	17	2,400,000	2,400,000
Revaluation reserve	18	597,397	606,171
Profit and loss account	18	<u>415,547</u>	<u>398,203</u>
Total equity		<u><u>3,412,944</u></u>	<u><u>3,404,374</u></u>

Approved and authorised by the Board on 16 March 2017 and signed on its behalf by:



 James Michael Salisbury
 Director

Francis W Birkett & Sons Limited

Statement of Cash Flows for the Year Ended 30 June 2016

	Note	Year ended 30 June 2016 £	1 September 2014 to 30 June 2015 £
Cash flows from operating activities			
Profit for the year		8,570	165,980
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	75,697	61,718
Finance costs	5	512	-
Income tax expense	8	5,996	44,516
		<u>90,775</u>	<u>272,214</u>
Working capital adjustments			
Decrease in stocks	11	244,312	31,051
Increase in trade debtors	12	(1,508,106)	(66,657)
(Decrease)/increase in trade creditors	14	<u>(292,448)</u>	<u>283,404</u>
Cash generated from operations		(1,465,467)	520,012
Income taxes paid	8	<u>(37,654)</u>	<u>-</u>
Net cash flow from operating activities		<u>(1,503,121)</u>	<u>520,012</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(20,279)	(33,185)
Cash flows from financing activities			
Interest paid	5	(512)	-
Payments to finance lease creditors		<u>(4,200)</u>	<u>-</u>
Net cash flows from financing activities		<u>(4,712)</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents		(1,528,112)	486,827
Cash and cash equivalents at 1 July		<u>322,729</u>	<u>(164,098)</u>
Cash and cash equivalents at 30 June		<u><u>(1,205,383)</u></u>	<u><u>322,729</u></u>

The notes on pages 11 to 24 form an integral part of these financial statements.

Francis W Birkett & Sons Limited

Notes to the Financial Statements for the Year Ended 30 June 2016

1 General information

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

The address of its registered office is:

1 Doulton Road
Cradley Heath
West Midlands
B64 5QS

These financial statements were authorised for issue by the Board on 16 March 2017.

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.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

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.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are taken to the Statement of Income and Retained Earnings account.

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 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 taxable income.

Francis W Birkett & Sons Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

2 Accounting policies (continued)

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position 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:

Asset class	Depreciation method and rate
Land and buildings	Straight line over fifty years
Plant and machinery	10% - 33.33% straight line

Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Patents	Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 5 years.

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.

Francis W Birkett & Sons Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

2 Accounting policies (continued)

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.

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.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Francis W Birkett & Sons Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

2 Accounting policies (continued)

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.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

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.

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.

Francis W Birkett & Sons Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

3 Revenue

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

	Year ended 30 June 2016	1 September 2014 to 30 June 2015
	£	£
Sale of goods	2,980,062	3,595,797
Commissions received	172,200	218,695
	<u>3,152,262</u>	<u>3,814,492</u>

The analysis of the company's turnover for the year by market is as follows:

	Year ended 30 June 2016	1 September 2014 to 30 June 2015
	£	£
UK	2,725,453	3,354,362
Europe	315,544	375,030
Rest of world	111,265	85,100
	<u>3,152,262</u>	<u>3,814,492</u>

4 Operating profit

Arrived at after charging/(crediting)

	Year ended 30 June 2016	1 September 2014 to 30 June 2015
	£	£
Depreciation expense	72,259	58,853
Amortisation expense	3,438	2,865
Operating lease expense - plant and machinery	28,210	20,315
Operating lease expense - other	22,421	15,633

5 Interest payable and similar charges

	Year ended 30 June 2016	1 September 2014 to 30 June 2015
	£	£
Interest on obligations under finance leases and hire purchase contracts	<u>512</u>	<u>-</u>

Francis W Birkett & Sons Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

6 Staff costs

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

	Year ended 30 June 2016	1 September 2014 to 30 June 2015
	£	£
Wages and salaries	802,237	775,528
Social security costs	69,662	67,181
Pension costs, defined contribution scheme	11,397	13,723
Other employee expense	5,315	3,666
	<u>888,611</u>	<u>860,098</u>

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

	Year ended 30 June 2016	1 September 2014 to 30 June 2015
	No.	No.
Production	41	35
Administration and support	11	14
	<u>52</u>	<u>49</u>

7 Auditors' remuneration

	Year ended 30 June 2016	1 September 2014 to 30 June 2015
	£	£
Audit of the financial statements	<u>5,200</u>	<u>3,500</u>
Other fees to auditors		
Taxation compliance services	1,400	1,000
All other assurance services	2,327	1,518
	<u>3,727</u>	<u>2,518</u>

Francis W Birkett & Sons Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

8 Taxation

Tax charged/(credited) in the income statement

	Year ended 30 June 2016 £	1 September 2014 to 30 June 2015 £
Current taxation		
UK corporation tax	-	43,029
Group relief	(5,375)	-
	<u>(5,375)</u>	<u>43,029</u>
Deferred taxation		
Arising from origination and reversal of timing differences	<u>11,371</u>	<u>1,487</u>
Tax expense in the income statement	<u><u>5,996</u></u>	<u><u>44,516</u></u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2015 - the same as the standard rate of corporation tax in the UK) of 20% (2015 - 20.7%).

The differences are reconciled below:

	Year ended 30 June 2016 £	1 September 2014 to 30 June 2015 £
Profit before tax	<u>14,566</u>	<u>210,496</u>
Corporation tax at standard rate	2,913	43,573
Increase (decrease) from effect of different UK tax rates on some earnings	(677)	-
Effect of expense not deductible in determining taxable profit (tax loss)	3,760	3,242
Effect of tax losses	-	(609)
Deferred tax expense (credit) relating to changes in tax rates or laws	-	1,487
Tax increase (decrease) from effect of capital allowances and depreciation	<u>-</u>	<u>(3,177)</u>
Total tax charge	<u><u>5,996</u></u>	<u><u>44,516</u></u>

Francis W Birkett & Sons Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

9 Intangible assets

	Trademarks, patents and licenses £	Total £
Cost or valuation		
At 1 July 2015	17,193	17,193
At 30 June 2016	17,193	17,193
Amortisation		
At 1 July 2015	12,142	12,142
Amortisation charge	3,438	3,438
At 30 June 2016	15,580	15,580
Carrying amount		
At 30 June 2016	1,613	1,613
At 30 June 2015	5,051	5,051

Francis W Birkett & Sons Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

10 Tangible assets

	Land and buildings £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 July 2015	1,150,000	2,421,802	3,571,802
Additions	-	83,279	83,279
Disposals	-	(269,040)	(269,040)
At 30 June 2016	1,150,000	2,236,041	3,386,041
Depreciation			
At 1 July 2015	15,667	2,225,978	2,241,645
Charge for the period	18,800	53,459	72,259
Eliminated on disposal	-	(269,040)	(269,040)
At 30 June 2016	34,467	2,010,397	2,044,864
Carrying amount			
At 30 June 2016	1,115,533	225,644	1,341,177
At 30 June 2015	1,134,333	195,825	1,330,158

Included within the net book value of land and buildings above is £1,115,533 (2015 - £1,134,333) in respect of freehold land and buildings.

Francis W Birkett & Sons Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

10 Tangible assets (continued)

Revaluation

The fair value of the company's Land and Buildings was revalued on 31 August 2014 by an independent valuer. The basis of this valuation was in accordance with the requirements of the RICS Appraisal and Valuations Standards and FRS 15. The valuation of each property was on the basis of Existing Use Value assuming that the property would be sold of the continuing business.

Had this class of asset been measured on a historical cost basis, their carrying amount would have been £518,137 (2015 - £528,163).

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2016 £	2015 £
Plant and machinery	<u>67,083</u>	<u>-</u>

11 Stocks

	30 June 2016 £	30 June 2015 £
Raw materials and consumables	116,172	126,641
Work in progress	77,225	161,930
Finished goods and goods for resale	<u>333,287</u>	<u>482,425</u>
	<u>526,684</u>	<u>770,996</u>

12 Debtors

	Note	30 June 2016 £	30 June 2015 £
Trade debtors		552,264	850,896
Amounts owed by related parties	21	2,742,012	976,488
Other debtors		7,955	500
Prepayments		<u>114,776</u>	<u>81,017</u>
Total current trade and other debtors		<u>3,417,007</u>	<u>1,908,901</u>

13 Cash and cash equivalents

	30 June 2016 £	30 June 2015 £
Cash on hand	412	766
Cash at bank	<u>-</u>	<u>562,099</u>
	412	562,865
Bank overdrafts	<u>(1,205,795)</u>	<u>(240,136)</u>
Cash and cash equivalents in statement of cash flows	<u>(1,205,383)</u>	<u>322,729</u>

Francis W Birkett & Sons Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

14 Creditors

	Note	30 June 2016 £	30 June 2015 £
Due within one year			
Loans and borrowings	19	1,218,395	240,136
Trade creditors		173,528	233,834
Amounts due to related parties	21	192,655	302,472
Social security and other taxes		168,818	261,701
Other payables		36,980	59,641
Accrued expenses		24,515	31,297
Income tax liability	8	-	43,029
		<u>1,814,891</u>	<u>1,172,110</u>
Due after one year			
Loans and borrowings	19	<u>46,200</u>	<u>-</u>

15 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 July 2015	1,487	1,487
Increase (decrease) in existing provisions	<u>11,371</u>	<u>11,371</u>
At 30 June 2016	<u>12,858</u>	<u>12,858</u>

16 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 £11,397 (2015 - £13,723).

Francis W Birkett & Sons Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

17 Share capital

Allotted, called up and fully paid shares

	30 June 2016		30 June 2015	
	No.	£	No.	£
Ordinary Shares of £1 each	<u>2,400,000</u>	<u>2,400,000</u>	<u>2,400,000</u>	<u>2,400,000</u>

18 Reserves

The changes to each component of equity resulting from items of other comprehensive income for the current year were as follows:

	Retained earnings £	Total £
Surplus/(deficit) on property, plant and equipment revaluation	<u>8,774</u>	<u>8,774</u>

The changes to each component of equity resulting from items of other comprehensive income for the prior period were as follows:

	Retained earnings £	Total £
Surplus/(deficit) on property, plant and equipment revaluation	<u>7,312</u>	<u>7,312</u>

19 Loans and borrowings

	30 June 2016 £	30 June 2015 £
Non-current loans and borrowings		
Finance lease liabilities	<u>46,200</u>	<u>-</u>
	30 June 2016 £	30 June 2015 £
Current loans and borrowings		
Bank overdrafts	1,205,795	240,136
Finance lease liabilities	<u>12,600</u>	<u>-</u>
	<u>1,218,395</u>	<u>240,136</u>

Bank borrowings

The bank overdraft bears interest at a commercial rate. The overdraft is secured by a debenture over the group's assets.

Francis W Birkett & Sons Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

20 Obligations under leases and hire purchase contracts

Hire purchase contracts

The total of future hire purchase contract payments is as follows:

	2016 £	2015 £
Not later than one year	46,200	-
Later than one year and not later than five years	12,600	-
	<u>58,800</u>	<u>-</u>

Operating leases

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	12,600	44,503
Later than one year and not later than five years	46,200	38,612
	<u>58,800</u>	<u>83,115</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £50,631 (2015 - £35,948).

21 Related party transactions

Summary of transactions with other related parties

The company has taken advantage of the exemption in FRS102 "Related Party Disclosures" from disclosing transactions with other members of the group.

22 Parent and ultimate parent undertaking

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

These financial statements are available upon request from
Doulton Road,
Cradley Heath,
West Midlands.
B64 5QS

The ultimate controlling party is Musgrave Holdings Limited.

Francis W Birkett & Sons Limited

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

23 Transition to FRS 102

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

Reconciliation of equity:

No transitional adjustments were required.

Reconciliation of profit or loss for the year:

No transitional adjustments were required.