

Company Number: 1146611

C.J. Broom & Sons Limited

Financial statements

30 November 2008

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C.J. Broom & Sons Limited

Financial statements

Year ended 30 November 2008

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C.J. Broom & Sons Limited

Company information

Chairman

M C Broom, M.B.E.

Registered Office

The Yacht Station
Riverside
Brundall
Norwich
NR13 5PX

Directors

M C Broom, M.B.E.
Mrs J A Broom

Secretary

Mrs J A Broom

Auditors

Lovewell Blake
102 Prince of Wales Road
Norwich
NR1 1NY

C.J. Broom & Sons Limited

The directors' report

Year ended 30 November 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 November 2008.

Principal activities and business review

The principal activity of the company continued to be that of boat builders and boat traders.

In common with many other manufacturing companies throughout the world, particularly those involved in boat building, the sale of new boats were considerably down on previous years. Fortunately the company, and group to which the company is a member, has other boat related activities that overall performed better during the year, resulting in operating profit in the holding company increasing by 39%.

Steps have been taken, and are already proving successful, to further increase the turnover and profitability of the other boat related activities to offset the anticipated reduction in new boat building activity.

Other measures to improve the profitability of the company include bringing the production of all GRP hulls and components in house. This mould shop division are also supplying products to outside companies.

Whilst the business environment is still difficult, all divisions of the company and group are busy, including boat building at a reduced capacity. The directors are confident the group as a whole will return to profit in 2010.

Results and dividends

The loss for the year, after taxation, amounted to £722,025. The directors have not recommended a dividend.

Directors

The directors during the year were:

M C Broom, M.B.E.
Mrs J A Broom

In accordance with the articles of association, Mrs J A Broom will retire by rotation and, being eligible, will offer herself for re-election.

Directors' responsibilities

The directors are responsible for preparing 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 director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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, as described on page 9, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

C.J. Broom & Sons Limited

The directors' report *(continued)*

Year ended 30 November 2008

Directors' responsibilities *(continued)*

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Lovewell Blake are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:
The Yacht Station
Riverside
Brundall
Norwich
NR13 5PX

Signed by order of the directors

Jennifer A Broom

Mrs J A Broom
Company Secretary

Approved by the directors on 25.09.2009

C.J. Broom & Sons Limited

Independent auditors' report to the shareholders of C.J. Broom & Sons Limited

Year ended 30 November 2008

We have audited the financial statements of C.J. Broom & Sons Limited for the year ended 30 November 2008 on pages 6 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

C.J. Broom & Sons Limited

Independent auditors' report to the shareholders of C.J. Broom & Sons Limited

Year ended 30 November 2008

Opinion

In our opinion;

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

LoveWell Blake
LOVEWELL BLAKE
Chartered Accountants
& Registered Auditor

102 Prince of Wales Road
Norwich
NR1 1NY

28 September 2009

C.J. Broom & Sons Limited

Profit and loss account

Year ended 30 November 2008

	Note	2008 £	2007 £
Turnover	2	7,065,067	9,516,402
Cost of sales		<u>(7,522,281)</u>	<u>(8,925,145)</u>
Gross (loss)/profit		(457,214)	591,257
Sales and distribution costs		(365,539)	(482,987)
Administrative expenses		(169,787)	(171,158)
Other operating income		<u>58,987</u>	<u>131,464</u>
Operating (loss)/profit		(933,553)	68,576
Interest payable		(11,808)	-
Interest receivable		<u>2,854</u>	<u>127</u>
(Loss)/profit on ordinary activities before taxation		(942,507)	68,703
Tax on (loss)/profit on ordinary activities	5	<u>220,482</u>	<u>(15,476)</u>
(Loss)/profit on ordinary activities after taxation		<u><u>(722,025)</u></u>	<u><u>53,227</u></u>

All of the activities of the company are classed as continuing.

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

The notes on pages 9 to 14 form part of these financial statements.

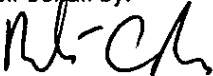
C.J. Broom & Sons Limited

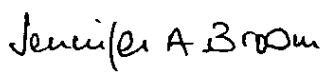
Balance sheet

30 November 2008

	Note	2008 £	2008 £	2007 £
Current assets				
Stocks	7	1,668,828		789,235
Debtors due within one year	8	1,194,543		1,374,863
Debtors due after one year	8	<u>123,011</u>		<u>-</u>
			2,986,382	2,164,098
Creditors:				
Amounts falling due within one year	10		(2,395,654)	(1,612,291)
Net current assets			590,728	551,807
Creditors: Amounts falling due after more than one year	11		(760,946)	<u>-</u>
Provisions for liabilities and charges			<u>-</u>	<u>-</u>
			<u>(170,218)</u>	<u>551,807</u>
Capital and reserves				
Share capital	12		2,000	2,000
Profit and loss account	17		<u>(172,218)</u>	<u>549,807</u>
(Deficit)/shareholders' funds	18		<u>(170,218)</u>	<u>551,807</u>

These financial statements were approved by the directors and authorised for issue on 25/09/2009, and are signed on their behalf by:


M C Broom, M.B.E.


Mrs J A Broom

The notes on pages 9 to 14 form part of these financial statements.

C.J. Broom & Sons Limited

Cash flow statement

Year ended 30 November 2008

	Note	2008 £	2007 £
Cash (outflow)/inflow from operating activities	15	(718,284)	142,628
Return on investments and servicing of finance			
Interest paid		(11,808)	-
Interest received		2,845	127
Taxation		42,523	(155,253)
Equity dividends paid		-	(450,000)
Decrease in cash in the year		<u>(684,715)</u>	<u>(462,498)</u>
Reconciliation of net cash flow to movement in net debt			
Decrease in cash in the year		<u>(684,715)</u>	<u>(462,498)</u>
Movement in net debt in the year		(684,715)	(462,498)
Net debt at 1 December 2007		<u>(835,272)</u>	<u>(372,774)</u>
Net debt at 30 November 2008	16	<u>(1,519,987)</u>	<u>(835,272)</u>

The notes on pages 9 to 14 form part of these accounts

C.J. Broom & Sons Limited

Notes to the financial statements

Year ended 30 November 2008

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Stock

Stock is stated at the lower of cost and net realisable value. Cost is recognised on an actual basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

2. Turnover

The turnover and operating profit for the year were derived from the company's principal activities:

The analysis of turnover is as follows:	2008	2007
	£	£
Boat sales	1,089,245	1,725,649
Boat building	<u>5,975,822</u>	<u>7,790,753</u>
	<u>7,065,067</u>	<u>9,516,402</u>

The company exported 24% (2007: 27%) of turnover to customers within the European Union.

3. Operating profit

The operating profit is stated after charging:	2008	2007
	£	£
Auditors remuneration - as auditor	<u>4,950</u>	<u>4,750</u>

C.J. Broom & Sons Limited

Notes to the financial statements

Year ended 30 November 2008

4. Particulars of employees

The average monthly number of staff employed by the company during the financial year amounted to:

	2008	2007
Administration	2	3
Selling and distribution	4	4
Boatbuilding	<u>83</u>	<u>92</u>
	<u>89</u>	<u>99</u>

The aggregate payroll costs of the above were:

	2008 £	2007 £
Wages and salaries	2,070,591	2,106,705
Social security costs	202,749	209,111
Other pension costs	<u>7,616</u>	<u>9,335</u>
	<u>2,280,956</u>	<u>2,325,151</u>

5. Taxation on ordinary activities

(a) Analysis of charge in the year

	2008 £	2007 £
Current tax:		
U.K. corporation tax based on the results for the year at 21% (2007: 30%)	<u>(97,471)</u>	<u>15,476</u>
Total current tax	(97,471)	15,476
Deferred tax:		
Origination and reversal of timing differences	<u>(123,011)</u>	<u>-</u>
Tax on (loss)/profit on ordinary activities	<u>(220,482)</u>	<u>15,476</u>

(b) Factors affecting current tax charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 21% (2007: 30%). The differences are explained below:

	2008 £	2007 £
(Loss)/profit on ordinary activities before tax	<u>(942,507)</u>	<u>68,703</u>
(Loss)/profit on ordinary activities by rate of tax	(197,926)	20,611
Effects of:		
Expenses disallowed	370	773
Marginal relief	-	(5,908)
Unrelieved losses	123,011	-
Group relief surrendered	49,077	-
Receipt from group company for relief surrendered	(66,995)	-
Difference in tax rates in earlier periods	<u>(5,008)</u>	<u>-</u>
Total current tax (note 5(a))	<u>(97,471)</u>	<u>15,476</u>

C.J. Broom & Sons Limited

Notes to the financial statements

Year ended 30 November 2008

6. Dividends

Dividends on equity shares	2008 £	2007 £
Paid during the year: Equity dividends	<u>-</u>	<u>450,000</u>

7. Stocks

	2008 £	2007 £
Raw materials	1,235	1,235
Boats for resale	814,000	788,000
Work in progress	<u>853,593</u>	<u>-</u>

8. Debtors

	2008 £	2007 £
Trade debtors	653,500	559,831
Amounts recoverable on contracts	483,274	658,185
Corporation tax recoverable	30,476	42,523
Prepayments and accrued income	27,293	114,324
Deferred taxation (note 9)	<u>123,011</u>	<u>-</u>
	<u>1,317,554</u>	<u>1,374,863</u>

The debtors above include the following amounts falling due after more than one year:

	2008 £	2007 £
Deferred taxation (note 9)	<u>123,011</u>	<u>-</u>

9. Deferred taxation

	2008 £	2007 £
Included in debtors (note 8)	<u>123,011</u>	<u>-</u>

The movement in the deferred taxation account during the year was:

	2008 £	2007 £
Balance brought forward	-	-
Profit and loss account movement arising during the year	<u>123,011</u>	<u>-</u>
Balance carried forward	<u>123,011</u>	<u>-</u>

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

	2008 £	2007 £
Available losses	<u>123,011</u>	<u>-</u>
	<u>123,011</u>	<u>-</u>

C.J. Broom & Sons Limited

Notes to the financial statements

Year ended 30 November 2008

10. Creditors: Amounts falling due within one year	2008 £	2007 £
Bank overdraft	616,975	835,272
Other loans	903,012	-
Trade creditors	421,377	404,336
Amounts owed to parent undertaking	47,099	142,060
Amounts owed to related undertakings	284,495	92,330
Other taxes and social security	51,613	63,610
Accruals and deferred income	18,585	21,786
Other creditors	<u>52,498</u>	<u>52,897</u>
	<u>2,395,654</u>	<u>1,612,291</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2008 £	2007 £
Bank overdraft	616,975	835,272
Loans secured against boats	<u>903,012</u>	<u>-</u>
	<u>1,519,987</u>	<u>835,272</u>

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand. The company expects to operate within the facility currently agreed and within that expected to be agreed on the renewal of the facility. These views are based on the company's plans and on the successful outcome of discussions with the company's bankers.

The bank overdraft is secured by a charge over the freehold property in the holding company as well as a debenture over the company's assets. A guarantee limited to £300,000 has been provided by M C Broom in respect of the company's borrowings.

11. Creditors: Amounts falling due after more than one year	2008 £	2007 £
Amounts owed to parent undertaking	<u>760,946</u>	<u>-</u>
12. Share capital	2008 £	2007 £
Authorised and allotted, called up and fully paid 2,000 Ordinary shares of £1 each (2007: 2,000)	<u>2,000</u>	<u>2,000</u>

13. Contingent liabilities

The company has given an unlimited guarantee in respect of the bank borrowings of Broom Boats Limited, which at the balance sheet date amounted to £1,509,124 (2007: £1,008,212).

C.J. Broom & Sons Limited

Notes to the financial statements

Year ended 30 November 2008

14. Related party transactions in which directors have an interest

In the normal course of business, transactions have taken place with Aquafibre Mouldings Limited, a connected company in which both directors have an interest. Details of transactions are as follows:

	2008 £	2007 £
Aquafibre Mouldings Limited		
Purchase of mouldings	863,397	815,652
Purchase of materials	17,433	17,365
Development costs	56,931	28,274
Labour	1,049	787
Transport	<u>4,312</u>	<u>4,896</u>
Total purchases	<u>943,122</u>	<u>866,974</u>
Total sales	<u>-</u>	<u>410</u>
Creditor at 30 November 2008	<u>284,495</u>	<u>92,330</u>

15. Reconciliation of operating profit to operating cash flows

	2008 £	2007 £
Operating (loss)/profit	(933,553)	68,576
Increase in stocks	(879,593)	(660,908)
Decrease in debtors	168,273	797,080
Increase/(decrease) in parent undertaking balances	732,980	(27,100)
Increase/(decrease) in creditors	1,444	(44,208)
Increase in connected company balances	<u>192,165</u>	<u>9,188</u>
Net cash (outflow)/inflow from operating activities	<u>(718,284)</u>	<u>142,628</u>

16. Analysis of net debt

	At 1 December 2007 £	Cash flow £	At 30 November 2008 £
Cash in hand and at bank	(835,272)	218,297	(616,975)
Other loans	<u>-</u>	<u>(903,012)</u>	<u>(903,012)</u>
Total	<u>(835,272)</u>	<u>(684,715)</u>	<u>(1,519,987)</u>

C.J. Broom & Sons Limited

Notes to the financial statements

Year ended 30 November 2008

17. Profit and loss account	2008	2007
	£	£
Balance brought forward	549,807	946,580
(Loss)/profit for the financial year	(722,025)	53,227
Equity dividends paid	<u>-</u>	<u>(450,000)</u>
Balance carried forward	<u>(172,218)</u>	<u>549,807</u>
 18. Reconciliation of the movement in shareholders' funds	 2008	 2007
	£	£
Opening shareholders' funds	551,807	948,580
(Loss)/profit for the financial year	(722,025)	53,227
Equity dividends paid	<u>-</u>	<u>(450,000)</u>
Closing (deficit)/shareholders' funds	<u>(170,218)</u>	<u>551,807</u>

19. Ultimate parent company

The ultimate parent company of C.J. Broom & Sons Limited is Broom Boats Limited which is incorporated in England.

20. Controlling Interest

The company is a wholly owned subsidiary of Broom Boats Limited and is therefore controlled by it.