

Company Registration No. 01474968 (England and Wales)

**BUTLER REYNOLDS LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2015**

# **BUTLER REYNOLDS LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr N Long Mrs H E A Tormey
<b>Secretary</b>	Mrs H E A Tormey
<b>Company number</b>	01474968
<b>Registered office</b>	Loughborough Road Costock Loughborough Leicestershire LE12 6XB
<b>Auditors</b>	Clear & Lane Limited 340 Melton Road Leicester LE4 7SL
<b>Business address</b>	Loughborough Road Costock Loughborough Leicestershire LE12 6XB
<b>Bankers</b>	National Westminster Bank plc PO Box 4479 Birmingham B4 6DP

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# **BUTLER REYNOLDS LIMITED**

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# **BUTLER REYNOLDS LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 MARCH 2015**

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The directors present the strategic report and financial statements for the year ended 31 March 2015.

### **Review of the business**

We aim to present a balanced summary of the performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

As a company dealing with the sale of construction plant and machinery, the company continues to make purchases from UK and overseas and make sales largely to UK based customers. We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, namely operating profit and return on capital employed.

Overall operating profit has decreased to £339,734 from £341,031 and profit before tax has decreased to £331,507 from £335,652. After taxation, £259,438 has been retained and added to reserves.

Return on capital employed has decreased to 27.72% (2014: 31.37%). Return on capital employed is calculated as profit after tax and interest divided by capital employed (net assets).

### **Principal risks and uncertainties**

#### **Supply of equipment**

We are reliant on continued demand for new and used equipment and the continued supply of new equipment from manufacturers. This exposes the company to risks in a number of areas as the company is dependent on manufacturers in respect of:

- availability of new equipment
- quality of the new equipment
- pricing of the new equipment

As for many businesses of our size, the business environment in which we operate continues to be very challenging. The sale of construction equipment remains highly competitive and margins continue to be tight.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the company may be affected by unforeseen future events outside of our control.

Mrs H E A Tormey

**Director**

16 September 2015

# **BUTLER REYNOLDS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2015**

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The directors present their report and financial statements for the year ended 31 March 2015.

#### **Principal activities**

The principal activity of the company continued to be that of the sale of construction plant and machinery.

The company is a wholly owned subsidiary of BR Holdings Limited, a company incorporated in England and Wales.

#### **Results and dividends**

The results for the year are set out on page 6.

Interim ordinary dividends were paid amounting to £179,573. The directors do not recommend payment of a final dividend.

#### **Directors**

The following directors have held office since 1 April 2014:

Mr N Long

Mrs H E A Tormey

#### **Auditors**

In accordance with the company's articles, a resolution proposing that Clear & Lane Limited be reappointed as auditors of the company will be put at a General Meeting.

#### **Statement of directors' responsibilities**

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 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

## **BUTLER REYNOLDS LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2015***

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#### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

Mrs H E A Tormey

**Director**

16 September 2015

# **BUTLER REYNOLDS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF BUTLER REYNOLDS LIMITED**

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We have audited the financial statements of Butler Reynolds Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet 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). The prior years financial statements were not audited.

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 auditors' 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 auditors**

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 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 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 March 2015 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.

## **BUTLER REYNOLDS LIMITED**

### **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF BUTLER REYNOLDS LIMITED**

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#### **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.

**David Hope BSc FCA (Senior Statutory Auditor)**  
**for and on behalf of Clear & Lane Limited**  
**Chartered Accountants**  
**Statutory Auditor**  
340 Melton Road  
Leicester  
LE4 7SL

18 September 2015



## BUTLER REYNOLDS LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 £	2014 £
Turnover	2	10,446,747	9,284,283
Cost of sales		(9,558,552)	(8,415,177)
<b>Gross profit</b>		888,195	869,106
Administrative expenses		(548,461)	(528,075)
<b>Operating profit</b>	3	339,734	341,031
Other interest receivable and similar income	4	1,781	423
Interest payable and similar charges	5	(10,008)	(5,802)
<b>Profit on ordinary activities before taxation</b>		331,507	335,652
Tax on profit on ordinary activities	6	(72,069)	(67,140)
<b>Profit for the year</b>	15	259,438	268,512

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# BUTLER REYNOLDS LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	8		233,246		262,312
<b>Current assets</b>					
Stocks	9	1,441,097		732,517	
Debtors: amounts falling due within one year	10	834,666		1,620,787	
Debtors: amounts falling due after more than one year	10	504,213		492,213	
Cash at bank and in hand		1,496,198		410,610	
		4,276,174		3,256,127	
<b>Creditors: amounts falling due within one year</b>	11	(3,398,329)		(2,447,740)	
<b>Net current assets</b>			877,845		808,387
<b>Total assets less current liabilities</b>			1,111,091		1,070,699
<b>Creditors: amounts falling due after more than one year</b>	12		(128,671)		(162,334)
<b>Provisions for liabilities</b>	13		(46,650)		(52,460)
			935,770		855,905
<b>Capital and reserves</b>					
Called up share capital	14		50,000		50,000
Profit and loss account	15		885,770		805,905
<b>Shareholders' funds</b>	16		935,770		855,905

Approved by the Board and authorised for issue on 16 September 2015

Mr N Long  
Director

Mrs H E A Tormey  
Director

Company Registration No. 01474968

# **BUTLER REYNOLDS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2015**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

The accounts have been drawn up on a going concern basis. The validity of this assumption depends upon the continued profitability of the company and of its fellow group subsidiary company BR Plant Engineers Limited and of their ability to generate cash in order to repay the bank borrowings of their parent company BR Holdings Limited.

The directors have taken necessary steps and prepared budgets and forecasts for the group that attempt to reflect the fragility of the economy and the construction sector in particular. Costs have also been reduced wherever possible. Bank loan facilities and the deferred consideration within the group have been renegotiated. The company is also reliant on the continued support of its bankers National Westminster Bank Plc.

The financial statements do not include any adjustments that would result should profitability and cashflow generation of the company and fellow group subsidiary fall below expectations and also if National Westminster Bank Plc were to withdraw their support for the company. Based on the budgets and forecasts that the company have in place, the directors firmly believe that it is appropriate to prepare the financial statements on a going concern basis.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### **1.3 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts and is recognised on the date the goods are despatched.

#### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and equipment	20% of Net book value
Fixtures and fittings	20% of Net book value
Motor vehicles	25% of Net book value

#### **1.5 Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

# BUTLER REYNOLDS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

### 1 Accounting policies (Continued)

#### 1.6 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future. Deferred taxation is not discounted.

### 2 Turnover

#### Geographical market

	Turnover	
	2015	2014
	£	£
UK	10,304,844	9,110,910
Europe	42,499	66,976
Rest of the World	99,404	106,397
	<u>10,446,747</u>	<u>9,284,283</u>

### 3 Operating profit

	2015	2014
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	60,703	32,222
Loss on disposal of tangible assets	817	-
Operating lease rentals - land and buildings	47,000	43,000
Auditors' remuneration	9,515	-
and after crediting:		
Profit on disposal of tangible assets	-	(194)
	<u>-</u>	<u>(194)</u>

### 4 Investment income

	2015	2014
	£	£
Bank interest	1,781	417
Other interest	-	6
	<u>1,781</u>	<u>423</u>

# BUTLER REYNOLDS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

<b>5</b>	<b>Interest payable</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Hire purchase interest	10,008	5,802
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Taxation</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	76,830	25,595
	Adjustment for prior years	1,049	(15)
		<u>          </u>	<u>          </u>
	<b>Total current tax</b>	77,879	25,580
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	(5,810)	41,560
		<u>          </u>	<u>          </u>
		72,069	67,140
		<u>          </u>	<u>          </u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	331,507	335,652
		<u>          </u>	<u>          </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2014 - 20.00%)	66,301	67,130
		<u>          </u>	<u>          </u>
	Effects of:		
	Non deductible expenses	5,190	2,840
	Depreciation add back	12,141	6,444
	Capital allowances	(7,266)	(48,249)
	Group loss relief	(2,880)	(2,570)
	Adjustments to previous periods	1,049	(15)
	Marginal rate of tax	3,344	-
		<u>          </u>	<u>          </u>
		11,578	(41,550)
		<u>          </u>	<u>          </u>
	<b>Current tax charge for the year</b>	77,879	25,580
		<u>          </u>	<u>          </u>
<b>7</b>	<b>Dividends</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Ordinary interim paid	179,573	208,330
		<u>          </u>	<u>          </u>

# BUTLER REYNOLDS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

### 8 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2014	178,696	70,696	105,471	354,863
Additions	-	9,191	31,817	41,008
Disposals	-	-	(20,277)	(20,277)
At 31 March 2015	178,696	79,887	117,011	375,594
<b>Depreciation</b>				
At 1 April 2014	11,295	51,667	29,589	92,551
On disposals	-	-	(10,906)	(10,906)
Charge for the year	33,484	3,973	23,246	60,703
At 31 March 2015	44,779	55,640	41,929	142,348
<b>Net book value</b>				
At 31 March 2015	133,917	24,247	75,082	233,246
At 31 March 2014	167,401	19,029	75,882	262,312

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Net book values</b>				
At 31 March 2015	132,906	9,026	75,083	217,015
At 31 March 2014	166,135	11,283	75,882	253,300
<b>Depreciation charge for the year</b>				
At 31 March 2015	33,229	2,257	21,084	56,570
At 31 March 2014	-	2,821	21,472	24,293

### 9 Stocks

	2015 £	2014 £
Finished goods and goods for resale	1,441,097	732,517

## BUTLER REYNOLDS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2015**

<b>10 Debtors</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade debtors	692,929	1,479,785
Amounts owed by parent and fellow subsidiary undertakings	602,521	587,759
Other debtors	1,413	-
Prepayments and accrued income	42,016	45,456
	<u>1,338,879</u>	<u>2,113,000</u>

Amounts falling due after more than one year and included in the debtors above are:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Amount owed by parent company	<u>504,213</u>	<u>492,213</u>

<b>11 Creditors: amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Net obligations under hire purchase contracts	59,335	111,102
Trade creditors	2,833,911	1,987,853
Corporation tax	76,830	25,595
Other taxes and social security costs	358,783	235,765
Directors' current accounts	4,000	19,454
Accruals and deferred income	65,470	67,971
	<u>3,398,329</u>	<u>2,447,740</u>

Obligations under hire purchase contracts are secured on the assets concerned and interest is charged at varying commercial rates on the different contracts.

# BUTLER REYNOLDS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

12 Creditors: amounts falling due after more than one year	2015 £	2014 £
Net obligations under hire purchase contracts	128,671	162,334

Obligations under hire purchase contracts are secured on the assets concerned and interest is charged at varying commercial rates on the different contracts.

### Net obligations under hire purchase contracts

Repayable within one year	59,335	111,102
Repayable between one and five years	128,671	162,334
	188,006	273,436
Included in liabilities falling due within one year	(59,335)	(111,102)
	128,671	162,334

### 13 Provisions for liabilities

#### Deferred tax liability £

Balance at 1 April 2014	52,460
Profit and loss account	(5,810)
Balance at 31 March 2015	46,650

The deferred tax liability is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	46,650	52,460

### 14 Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
50,000 Ordinary of £1 each	50,000	50,000



# BUTLER REYNOLDS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

### 15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2014	805,905
Profit for the year	259,438
Dividends paid	(179,573)
	<hr/>
Balance at 31 March 2015	885,770
	<hr/>

### 16 Reconciliation of movements in Shareholders' funds

	2015 £	2014 £
Profit for the financial year	259,438	268,512
Dividends	(179,573)	(208,330)
	<hr/>	<hr/>
Net addition to shareholders' funds	79,865	60,182
Opening Shareholders' funds	855,905	795,723
	<hr/>	<hr/>
Closing Shareholders' funds	935,770	855,905
	<hr/>	<hr/>

### 17 Contingent liabilities

The company has guaranteed the bank borrowings of the other companies within the group by way of an Inter Company Guarantee dated 9 July 2007.

At 31 March 2015, BR Holdings Limited had bank borrowings of £40,465 (2014: £149,615) and B. R. Plant Engineers Limited had borrowings of £nil (2014: £nil).

### 18 Financial commitments

At 31 March 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2016:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Operating leases which expire:				
Between two and five years	12,000	12,000	14,029	7,722
	<hr/>	<hr/>	<hr/>	<hr/>

## BUTLER REYNOLDS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

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<b>19</b>	<b>Directors' remuneration</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Remuneration for qualifying services	48,637	39,637
		<u>          </u>	<u>          </u>

#### **20** Employees

##### **Number of employees**

The average monthly number of employees (including directors) during the year was:

	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>
Management	4	4
Sales	2	2
Parts and service	4	3
Administration	1	1
	<u>          </u>	<u>          </u>
	11	10
	<u>          </u>	<u>          </u>

##### **Employment costs**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Wages and salaries	248,978	237,675
Social security costs	29,188	24,545
	<u>          </u>	<u>          </u>
	278,166	262,220
	<u>          </u>	<u>          </u>

#### **21** Control

The ultimate parent company and controlling party is BR Holdings Limited, a company registered in England and Wales

## BUTLER REYNOLDS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2015**

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#### 22 Related party relationships and transactions

##### Directors loan account

	Amounts due to the director at the year end	
	£	£
	2015	2014
Mr N Long	1,918	9,763
Mrs H E A Tormey	2,082	9,691
	<hr/>	<hr/>
	4,000	19,454
	<hr/>	<hr/>

Balances are interest free and repayable on demand.

##### Group transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the parent company.

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