

Company Registration No. 01744365 (England and Wales)

BROOKS MCROBBIE LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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BROOKS MCROBBIE LIMITED

COMPANY INFORMATION

Director	J W Brooks
Company number	01744365
Registered office	43 St John Street London EC1M 4LX
Auditors	Beavis Morgan Audit Limited 82 St John Street London EC1M 4JN

BROOKS MCROBBIE LIMITED

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BROOKS MCROBBIE LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The director presents his report and financial statements for the year ended 31 December 2011

Principal activities and review of the business

The company's principal activity during the year continued to be trading in dairy products

The year 2011 was a year of transition. There were changes to the trading team and a change to the major objectives in terms of product type and target markets. Previously the principle tonnage handled had been cream, but this was considered to be a product that had not been yielding a sufficient margin to cover the actual cost of handling. The focus was switched to other products such as Raw Milk and Skimmed Milk Concentrate which the company is now trading very successfully.

In addition, the trading team was expanded with the objective to increase both purchases and sales in the UK and France. These increases developed sales during the year, but not enough to cover their additional cost. The gross margin increased in terms of actual value and also percentage. This improvement has continued into 2012. Gross margins are climbing and tonnages in the targeted products and markets are also increasing. The future development of the company is clear and looks promising.

Results and dividends

The results for the year are set out on page 5.

During the year the company proposed a final dividend of £90,000 (2010 - £47,872), which was paid on 12 September 2012.

Directors

The following directors have held office since 1 January 2011.

J W Brooks

F Heaney

(Resigned 31 October 2011)

Financial instruments

The company is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through strict credit control procedures. The company's customers are credit insured and the company only trades with those customers within the credit limits imposed by their credit insurer. The company's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency risks. Its policy is to finance working capital through retained earnings and through borrowings at prevailing market interest rates, and to fix the sterling rate of exported goods by entering into forward exchange contracts at the time of ordering. The company does not use hedge accounting.

Auditors

Beavis Morgan Audit Limited were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

BROOKS MCROBBIE LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director 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). Under company law the director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Statement of disclosure to auditors

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

On behalf of the board



J W Brooks

Director

27 September 2012

BROOKS MCROBBIE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BROOKS MCROBBIE LIMITED

We have audited the financial statements of Brooks McRobbie Limited for the year ended 31 December 2011 set out on pages 5 to 16. 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 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 director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 1 - 2, the director is 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 director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements. 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 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BROOKS MCROBBIE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF BROOKS MCROBBIE LIMITED

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

Beavis Morgan Audit Ltd

Matthew Burge (Senior Statutory Auditor)
for and on behalf of Beavis Morgan Audit Limited

27 September 2012

Chartered Accountants
Statutory Auditor

82 St John Street
London
EC1M 4JN

BROOKS MCROBBIE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover	2	37,178,036	37,014,243
Cost of sales		(36,450,702)	(36,319,626)
Gross profit		727,334	694,617
Administrative expenses		(816,826)	(693,755)
Operating (loss)/profit	3	(89,492)	862
Other interest receivable and similar income	4	2,096	952
Interest payable and similar charges	5	(37,265)	(30,186)
Loss on ordinary activities before taxation		(124,661)	(28,372)
Tax on loss on ordinary activities	6	-	(922)
Loss for the year	15	(124,661)	(29,294)

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

BROOKS MCROBBIE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	8		11,000		8,000
Investments	9		100		100
			<u>11,100</u>		<u>8,100</u>
Current assets					
Stocks	10	67,147		102,564	
Debtors	11	3,934,166		2,842,310	
Cash at bank and in hand		42,662		1,104,874	
		<u>4,043,975</u>		<u>4,049,748</u>	
Creditors amounts falling due within one year	12	<u>(3,777,070)</u>		<u>(3,607,310)</u>	
Net current assets			<u>266,905</u>		<u>442,438</u>
Total assets less current liabilities			<u>278,005</u>		<u>450,538</u>
Capital and reserves					
Called up share capital	14		10,000		10,000
Profit and loss account	15		268,005		440,538
Shareholders' funds	16		<u>278,005</u>		<u>450,538</u>

Approved by the Board and authorised for issue on 27 September 2012


J W Brooks
Director

Company Registration No. 01744365

BROOKS MCROBBIE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	£	2011 £	£	2010 £
Net cash (outflow)/inflow from operating activities	21		(1,203,390)		917,747
Returns on investments and servicing of finance					
Interest received		2,096		952	
Interest paid		(37,265)		(30,186)	
Net cash outflow for returns on investments and servicing of finance			(35,169)		(29,234)
Taxation			(146)		(38,280)
Capital expenditure					
Payments to acquire tangible assets		(4,517)		(3,111)	
Net cash outflow for capital expenditure			(4,517)		(3,111)
Equity dividends paid			(47,872)		(33,250)
Net cash (outflow)/inflow before management of liquid resources and financing			(1,291,094)		813,872
(Decrease)/increase in cash in the year	22, 23		(1,291,094)		813,872

BROOKS MCROBBIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The financial statements have been prepared on the basis that the fundamental accounting concept of going concern is applied. J W Brooks, the company director, will continue to provide financial support to the company. Projected cash flow forecasts have been prepared for at least 12 months from the date of the director's approval of these financial statements. In light of this, it is considered that the company will be able to continue in operational existence for the foreseeable future.

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 sales of goods contractually sold and delivered in the year, excluding value added tax.

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:

Computer equipment	25% per annum on cost
Fixtures, fittings & equipment	10% per annum on cost
Motor vehicles	25% per annum on cost

1.5 Leasing

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

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock

Stock consists of goods purchased from suppliers that are in transit at the year end. It is valued at the lower of cost and net realisable value.

Cost is based on the cost of purchase per trade. Net realisable value is based on estimated selling price less additional costs to completion.

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

BROOKS MCROBBIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies (continued)

1 10 Group accounts

The company and its subsidiary comprise a medium-sized group. The company has taken advantage of the exemption provided by section 402 of the Companies Act 2006 not to prepare group accounts as the subsidiary, which is dormant, is not material.

The financial statements accordingly present information about the company as an individual undertaking and not about its group.

2 Turnover and loss on ordinary activities before taxation

	Turnover 2011 £	2010 £
Class of business		
United Kingdom	10,038,070	2,809,252
Rest of the European Union	27,139,966	34,204,991
	<u>37,178,036</u>	<u>37,014,243</u>

3 Operating (loss)/profit

	2011 £	2010 £
Operating (loss)/profit is stated after charging		
Depreciation of tangible assets	1,517	1,611
Operating lease rentals	22,000	22,000
Auditors' remuneration	6,000	18,500
Director's remuneration	94,859	99,143
	<u>124,376</u>	<u>141,254</u>

4 Investment income

	2011 £	2010 £
Bank interest	2,096	952
	<u>2,096</u>	<u>952</u>

5 Interest payable

	2011 £	2010 £
On bank loans and overdrafts	37,265	30,186
	<u>37,265</u>	<u>30,186</u>

BROOKS MCROBBIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

6	Taxation	2011 £	2010 £
	Domestic current year tax		
	U K corporation tax	-	922
	Total current tax	-	922
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(124,661)	(28,372)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2010 - 21.00%)	(24,932)	(5,958)
	Effects of		
	Non deductible expenses	4,370	7,002
	Depreciation add back	303	-
	Capital allowances	(1,254)	(122)
	Tax losses utilised	(419)	-
	Tax losses for the period	21,932	-
		24,932	6,880
	Current tax charge for the year	-	922

The company has estimated losses of £ 107,566 (2010 - £ nil) available for carry forward against future trading profits

7	Dividends	2011 £	2010 £
	Ordinary final paid	47,872	33,250

BROOKS MCROBBIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

8 Tangible fixed assets

	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2011	56,187	50,336	13,425	119,948
Additions	3,062	1,455	-	4,517
	<u>59,249</u>	<u>51,791</u>	<u>13,425</u>	<u>124,465</u>
At 31 December 2011				
Depreciation				
At 1 January 2011	50,187	48,336	13,425	111,948
Charge for the year	1,062	455	-	1,517
	<u>51,249</u>	<u>48,791</u>	<u>13,425</u>	<u>113,465</u>
At 31 December 2011				
Net book value				
At 31 December 2011	<u>8,000</u>	<u>3,000</u>	<u>-</u>	<u>11,000</u>
At 31 December 2010	<u>6,000</u>	<u>2,000</u>	<u>-</u>	<u>8,000</u>

BROOKS MCROBBIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

9 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2011 & at 31 December 2011	100
Net book value	
At 31 December 2011	100
At 31 December 2010	100

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
J W Brooks Consulting Limited	England & Wales	Ordinary	100 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2011 £	Profit/(loss) for the year 2011 £
J W Brooks Consulting Limited	Principal activity Dormant	100	-

10 Stocks

	2011 £	2010 £
Goods in transit	67,147	102,564

BROOKS MCROBBIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

11 Debtors	2011 £	2010 £
Trade debtors	3,476,566	2,718,551
Other debtors	457,600	123,759
	<u>3,934,166</u>	<u>2,842,310</u>

12 Creditors amounts falling due within one year	2011 £	2010 £
Bank loans and overdrafts	264,286	35,404
Trade creditors	3,318,405	3,493,483
Corporation tax	776	922
Other taxes and social security costs	1,016	10,281
Other creditors	150,878	55,220
Accruals and deferred income	41,709	12,000
	<u>3,777,070</u>	<u>3,607,310</u>

The company has a bank overdraft facility which is secured by a debenture creating fixed and floating charges over all of the company's assets

Bank loans and overdraft in the total of £264,286 (2010 - £35,404) represents the balance due to the bank on an invoice discounting agreement. These amounts are secured on the trade debtors of the company

13 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund

	2011 £	2010 £
Contributions payable by the company for the year	<u>19,112</u>	<u>5,250</u>

14 Share capital	2011 £	2010 £
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

BROOKS MCROBBIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2011	440,538
Loss for the year	(124,661)
Dividends paid	(47,872)
Balance at 31 December 2011	<u>268,005</u>

16 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Loss for the financial year	(124,661)	(29,294)
Dividends	(47,872)	(33,250)
Net depletion in shareholders' funds	(172,533)	(62,544)
Opening shareholders' funds	450,538	513,082
Closing shareholders' funds	<u>278,005</u>	<u>450,538</u>

17 Financial commitments

At 31 December 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2012

	Land and buildings		Other	
	2011 £	2010 £	2011 £	2010 £
Operating leases which expire				
Within one year	-	5,500	4,435	-
Between two and five years	-	-	10,157	-
	<u>-</u>	<u>5,500</u>	<u>14,592</u>	<u>-</u>

BROOKS MCROBBIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

18 Directors' remuneration	2011	2010
	£	£
Remuneration for qualifying services	94,859	99,143

No directors (2010 - £nil) had pension benefits accruing under defined contribution pension schemes

19 Employees

Number of employees

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

	2011	2010
	Number	Number
Administration	9	9

Employment costs

	2011	2010
	£	£
Wages and salaries	383,921	325,469
Social security costs	39,591	39,239
Other pension costs	19,112	5,250
	442,624	369,958

20 Control

J W Brooks is the company's ultimate controlling party by virtue of his 100% holding of the company's share capital

21 Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities	2011	2010
	£	£
Operating (loss)/profit	(89,492)	862
Depreciation of tangible assets	1,517	1,611
Decrease in stocks	35,417	10,555
(Increase)/decrease in debtors	(1,091,856)	829,145
(Decrease)/Increase in creditors within one year	(58,976)	75,574
Net cash (outflow)/inflow from operating activities	(1,203,390)	917,747

BROOKS MCROBBIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

22	Analysis of net (debt)/funds	1 January 2011	Cash flow	Other non-cash changes	31 December 2011
		£	£	£	£
	Net cash				
	Cash at bank and in hand	1,104,874	(1,062,212)	-	42,662
	Bank overdrafts	(35,404)	(228,882)	-	(264,286)
		<u>1,069,470</u>	<u>(1,291,094)</u>	<u>-</u>	<u>(221,624)</u>
	Net funds/(debt)	<u>1,069,470</u>	<u>(1,291,094)</u>	<u>-</u>	<u>(221,624)</u>
23	Reconciliation of net cash flow to movement in net (debt)/funds			2011	2010
				£	£
	(Decrease)/increase in cash in the year			(1,291,094)	813,872
	Movement in net (debt)/funds in the year			(1,291,094)	813,872
	Opening net funds			1,069,470	255,598
	Closing net (debt)/funds			<u>(221,624)</u>	<u>1,069,470</u>

24 Related party relationships and transactions

At the balance sheet date, the company director J W Brooks owed the company £89,485 (2010 - £47,872) The maximum liability outstanding during the year was £194,172 (2010 - £47,872) The loan is interest-free and is included within other debtors

On 30 April 2010, a dividend of £33,250 was paid to J W Brooks to settle his outstanding balance of £33,250 at 31 December 2009 On 30 April 2011, a dividend of £47,872 was paid to J W Brooks to settle his outstanding balance at 31 December 2010 In addition, the balance of £89,485 outstanding at 31 December 2011 was settled by a dividend of £90,000 which was paid on 12 September 2012