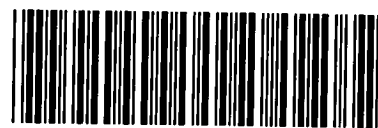


Company Registration No. 03541311

Briggs Amasco Limited

**Annual report and financial statements
for the year ended 31 December 2016**

THURSDAY



A65R9FDF

A13

04/05/2017

#291

COMPANIES HOUSE

Briggs Amasco Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2016

CONTENTS

Page

Officers and professional advisers

1

Strategic report

2

Directors' report

4

Directors' responsibilities statement

7

Independent auditor's report

8

Profit and loss account

10

Balance sheet

11

Statement of changes in equity

12

Notes to the financial statements

13

Briggs Amasco Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A M Comba
N Kershaw
H M Koschitzky
D P Maginnis
A J Smith
F Hautman
A Lawther
A Ferri

COMPANY SECRETARY

TCSS Limited

REGISTERED OFFICE

Amasco House
101 Powke Lane
Cradley Heath
West Midlands
B64 5PX

BANKERS

BNP Paribas
5 Aldermanbury Square
London
EC2V 7HR

AUDITOR

Deloitte LLP
Chartered Accountants & Statutory Auditor
2 Hardman Street
Manchester
M3 3HF

Briggs Amasco Limited

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Business Review

The principal activity of the Company is that of roofing and waterproofing.

The general optimism prior to last year's referendum has returned in London and the South with a good mix of large residential developments and commercial opportunities, which has continued into 2017 with a strong start to trading which is up considerably on 2016.

Birmingham has opportunities in both the private and public sectors. The North's outlook has improved over the last 12 months with strong opportunities in Manchester and Leeds.

Glasgow and Aberdeen have good opportunities across both regions.

The delayed £2bn Priority Schools programme has commenced and we are well placed nationally to pick up our fair share of these projects.

Orders secured at 31 December 2016 were in the region of £37,700,000 (2015: £37,700,000), an increase of 0% against the previous year.

Principal risks and uncertainties

The principal financial risks to the company relate to the selection of contracts, the estimation and control of contract costs and recovery of payments for work carried out. These risks are controlled in a number of ways. The company has a tender authorisation policy in place and tenders are authorised by directors according to their value and type. Tenders above a certain level are submitted to the parent company for approval. Company credit approval procedures are followed before any order is accepted, and credit insurance is obtained wherever possible to mitigate the risk of bad debts being incurred.

Due to the very nature of our business, working at height is a common day-to-day activity. Completing work safely and the safety of our employees is our priority. We are CHAS accredited, the nationally recognised and accepted threshold standard for Health and Safety. To ensure we meet this objective we undertake extensive training with all our employees on site, at our branch offices and our training centre in the Midlands.

Health and Safety training is undertaken by our own directly employed safety advisors supported, as required, by recognised external safety training centres. We have adopted the Lend Lease initiative, Incident and Injury Free Work (IIF) and have rolled this out across the Company at all levels from directors to operatives. All new employees attend and complete an induction course held at our training centre.

We are accredited to ISO 9001 Quality, ISO 14001 Environmental Management Standards (EMS) and ISO 18001 Occupational Health and Safety Standards BS (OHSAS). ISO 14001 and 18001 are internationally recognised and accepted standards for Environmental Management and Occupational Health and Safety Management systems. We are Achilles accredited which streamlines our clients/customer procurement activities and reduces duplication with pre-qualifications.

The company employs 243 staff and operatives who are critical to the success of the company. Attracting and maintaining good relations with staff and investing in their training and development is essential to delivering our strategic objectives. Details of the Company's specific policies regarding its employees are disclosed in the Directors' Report.

Briggs Amasco Limited

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

Financial key performance indicators

The profit and loss account and balance sheet are set out on pages 10 and 11 of the financial statements.

Turnover has remained static at £38.0 million for the year ended 31 December 2016 (2015: £38.3 million). Increased contract performance has resulted in an increase in reported profit before tax from £1,818,000 to £2,186,000. Company profitability is the key financial performance indicator of business performance.

The statement of financial position shows net assets at 31 December 2016 of £15.0 million (2015: £13.7 million) which is an increase on the previous year by £1.3 million. Cash management remains a strong driver in the business. The cash balance at 31 December 2016 was £2.7 million (2015: £2.3 million). Customer and supplier payment terms have been maintained in line with the previous year.

Other key performance indicators

We believe in measuring our non-financial performance internally using six key indicators:

- Customer satisfaction
- Employee satisfaction - following the Investor in People standard
- 360 supply chain appraisals
- Safety
- Process evaluation - ISO 9001
- Productivity analysis

These KPI's are benchmarked against the prior year results, which is a time measure on our performance. The full results of the 2016 assessment will be available at the end of April 2017 and are posted on our website.

Future developments

The directors expect the general level of activity to remain consistent in the future years.

This report was approved by the board and signed on its behalf.



For TCSS Limited,
Company Secretary

Date: 27th April 2017

Amasco House
101 Powke Lane
Cradley Heath
West Midlands
B64 5PX

Briggs Amasco Limited

DIRECTORS' REPORT

The directors present their annual report on the affairs of the Company, together with the audited financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the Company is that of roofing and waterproofing contracting in the UK.

Results and dividends

The profit for the year, after taxation, amounted to £1,743,000 (2015: £1,427,000). This was transferred to reserves (2015: same).

The directors declared and paid a dividend during the year totaling £428,000 (2015: £655,000).

Going concern

The directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements.

Directors

The directors who served throughout the year were:

A M Comba (non-executive director)
N Kershaw
H M Koschitzky
D P Maginnis
A J Smith
F Hautman
A Lawther
A Ferri

H M Koschitzky is an overseas-based director and is not required to notify his interest in group undertakings incorporated outside Great Britain to the company. He has no beneficial interest in the share capital of the group companies in Great Britain. F Hautman is also an overseas-based director and has no beneficial interest in the share capital of group companies in Great Britain.

The declarable beneficial interests of D P Maginnis, A J Smith, A Lawther, N Kershaw and A Ferri in the share capital of The Specialist Waterproofing Group Limited are given in The Specialist Waterproofing Group Limited's financial statements. The Specialist Waterproofing Group Limited holds 40% of the issued share capital of William Briggs & Sons Limited, an intermediate holding company of Briggs Amasco Limited. Apart from these interests none of the directors, including A M Comba, had any declarable beneficial interest in the share or loan capital of any other subsidiary undertaking of IKO Enterprises Limited during the year.

None of the directors had any declarable beneficial interest in the share or loan capital of the company's ultimate parent company, IKO Enterprises Limited.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Briggs Amasco Limited

DIRECTORS' REPORT (continued)

Financial risk management

The company's operations expose it to certain financial risks that include price risk, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company of each of these risks. The company does not have any external group loans at the balance sheet date.

Given the size of the company the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The company's finance department implements the policies set by the board of directors.

Price risk

The company is exposed to raw material price risk as a result of its operations. However, given the size of the company's operations, the cost of managing exposure to raw material price risk exceed any potential benefits. It is also possible for the company to source replacement materials from other sources fairly quickly, which further reduces the company's price risk exposure. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company is subject to exchange risk exposure on materials purchased within the euro zone and forward contracts are utilised where appropriate to manage this risk. The company has no exposure to equity securities as it holds no listed or equity investments.

Credit risk

The company has implemented policies that require strict credit checks on potential customers before contracts are accepted. Where debt finance might be required, this would subject to pre-approval by the Board of Directors and the parent company, but this is unlikely as group financing could be obtained. The Board regularly assesses the amount of exposures to any individual counterparty. The Company has also in place bad debt insurance agreement signed with QBE Insurance (Europe) Limited.

Liquidity risk

The Board continually reviews the company's ongoing liquidity risks and utilises its cash resources to ensure that sufficient funds are available for operations and planned expansions.

Interest rate cash flow risk

At the present time the company earns little or no interest from its surplus cash balances. The company has no current requirement for debt finance. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Research and development activities

The company's policy is to enhance the performance of its products through continuous improvements and quality control in order to meet evolving building design criteria and expected European building standards.

Employee involvement

Formal appraisals are held with every employee each year. At each appraisal, training is discussed and an agreed training plan established which forms part of the company training plan, which is then implemented by the training manager. In addition, branches hold twice yearly branch and company performance meetings to inform employees on various factors affecting the performance of their branch and the company.

As part of the wellbeing of employees a free annual voluntary on site health assessment programme is carried out by an external qualified body.

Briggs Amasco Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Supplier payment policy

The Company is signed up to the Construction Supply Chain Payment Charter and so agrees to apply the fair payment commitments in its dealings with its supply chain, to be monitored for the purposes of compliance by reporting against a set of agreed key performance indicators (KPI's) and to consider the performance of its supply chain against the agreed KPI's when awarding contracts.

Trade creditor days at 31 December 2016 were 46 days (2015: 38 days).

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

In the case of each of the persons who are directors of the company when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in Companies Act 2006) of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

During the year Mazars LLP resigned and Deloitte LLP were subsequently appointed. Deloitte LLP have expressed their willingness to continue as auditor of the company.

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder/s have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intend to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by William Briggs and Sons Limited, as the immediate parent of the entity.

Approved by the Board of Directors and signed on behalf of the Board by:



For TCSS Limited

Company Secretary

Date: 27th April 2017

Amasco House
101 Powke Lane
Cradley Heath
West Midlands, B64 5PX

Briggs Amasco Limited

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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;
- state whether applicable UK Accounting Standards have 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 to 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.

Briggs Amasco Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGGS AMASCO LIMITED

We have audited the financial statements of Briggs Amasco Limited for the year ended 31 December 2016, which comprise the Profit and Loss Account, the Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 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 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 December 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

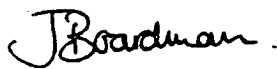
Briggs Amasco Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGGS AMASCO LIMITED (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.



Jane Boardman, BSc, FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

3 May 2017

Briggs Amasco Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £'000	2015 £'000
Turnover	3	37,974	38,281
Cost of sales		(28,474)	(28,988)
Gross profit		9,500	9,293
Administrative expenses		(7,487)	(7,531)
Other operating income	4	34	56
Change in fair value of investment property		138	-
Operating profit	5	2,185	1,818
Interest receivable	9	1	-
Profit on ordinary activities before taxation		2,186	1,818
Taxation on profit on ordinary activities	10	(443)	(391)
Profit for the year		1,743	1,427

All activities are continuing.

There were no recognised income or expenses for 2016 or 2015 other than those included in the profit and loss account above. Accordingly, a separate statement of other comprehensive income has not been presented.

The notes on pages 14 to 26 form part of these financial statements.

Briggs Amasco Limited

BALANCE SHEET AS AT 31 DECEMBER 2016

	Note	2016 £'000	2015 £'000
FIXED ASSETS			
Tangible assets	12	2,277	2,322
Investment property	13	1,277	1,139
		<u>3,554</u>	<u>3,461</u>
CURRENT ASSETS			
Stocks	14	265	315
Debtors: amounts falling due within one year	15	16,280	15,087
Cash at bank and in hand	16	2,702	2,326
		<u>19,247</u>	<u>17,728</u>
Creditors: amounts falling due within one year	17	(7,755)	(7,458)
		<u>11,492</u>	<u>10,270</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>15,046</u>	<u>13,731</u>
NET ASSETS			
		<u>15,046</u>	<u>13,731</u>
CAPITAL AND RESERVES			
Called up share capital	19	9,328	9,328
Profit and loss account	20	5,718	4,403
SHAREHOLDERS' FUNDS			
		<u>15,046</u>	<u>13,731</u>

The financial statements of Briggs Amasco Limited (Company registration number: 03541311) were approved and authorised for issue by the Board and were signed on its behalf by:



A J Smith
Director

Date: 27th April 2017

The notes on pages 14 to 26 form part of these financial statements.

Briggs Amasco Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 January 2015	9,328	3,631	12,959
Comprehensive income for the year			
Profit for the year	-	1,427	1,427
Total comprehensive income for the year	-	1,427	1,427
Dividends: Equity capital (Note 11)	-	(655)	(655)
At 31 December 2015	9,328	4,403	13,731
Comprehensive income for the year			
Profit for the year	-	1,743	1,743
Total comprehensive income for the year	-	1,743	1,743
Dividends: Equity capital (Note 11)	-	(428)	(428)
At 31 December 2016	9,328	5,718	15,046

The notes on pages 14 to 26 form part of these financial statements.

Briggs Amasco Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

General information and basis of accounting

Briggs Amasco Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 and 3.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Briggs Amasco Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Briggs Amasco Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Briggs Amasco Limited is consolidated in the financial statements of its parent, IKO UK Limited, which may be obtained at Companies House, Crown Way, Cardiff CF14 3UZ. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The directors' report further describes the financial position of the Company; its cash flows, liquidity position and borrowing facilities; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate without any issues being encountered with cash flow or going concern.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Tangible fixed assets

Tangible fixed assets, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Briggs Amasco Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets (continued)

The estimated useful lives range as follows:

Freehold property	-	50 years
Long term leasehold property	-	50 years
Short term leasehold property	-	Period of lease
Plant, machinery and vehicles	-	20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the statement of comprehensive income.

Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the profit and loss account.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

Briggs Amasco Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(i) Financial assets and liabilities (continued)

- (j) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (k) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes appropriate overheads. Provision is made for any impairment.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Briggs Amasco Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Turnover and long term contracts

Turnover is recognised over the course of contracts as activity progresses. Revenue is based on estimated total turnover (contract value) and the degree of estimated stage of completion (measured as total costs incurred compared to total costs forecast to the end of the contract) for each individual contract. Where calculated revenue exceeds the value that has been invoiced this is disclosed as amounts recoverable on contracts in debtors, where revenue is below amounts invoiced this is disclosed as payments on accounts in creditors.

Profit on contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated to reflect the proportion of the work carried out at the year end date. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Employee benefits

The company participates in group operated money purchase and final salary pension schemes. The assets and liabilities of all schemes are held separately from those of the company. The amount charged against profit in respect of the money purchase schemes represents the contributions payable to the schemes in respect of the accounting period.

The group wide pension scheme providing benefits based on final pensionable pay is closed to further accrual. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as permitted by FRS 102, accounts for the scheme as if it were a defined contribution scheme. The amount charged to the profit and loss account represents the contributions payable to the scheme in the year.

Briggs Amasco Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (continued)

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

Leases

The Company as lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies (continued)

Contract accounting

As a contracting company, management concentrates on how it values turnover and profit on long term work in progress contracts at the year end date and throughout the year. The valuations are based on costs incurred, costs to complete and percentage of completion. This is monitored closely against the original estimates by various levels of management and adjustments made to the profit levels if appropriate.

Management mitigate the potential risk to bad debts by taking trade credit insurance against contracts; however, retention monies are not included and the company manages this risk by making a sales provision against all retention monies over two years old at each year end date.

All contract sales debts are reviewed by management monthly and trading provisions created against final account settlements where deemed necessary.

Key source of estimation uncertainty

The directors do not deem there to be any key sources of estimation uncertainty.

Briggs Amasco Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

3. Analysis of turnover

The whole of the turnover is attributable to the provision of goods and services which fall within the company's principal business activities, stated net of value added tax.

All turnover arose within the United Kingdom.

4. Other operating income

	2016 £'000	2015 £'000
Rents receivable	34	56

5. Operating profit

The operating profit is stated after charging:

	2016 £'000	2015 £'000
Research & development charged as an expense	23	20
Depreciation of tangible fixed assets	316	339
Profit on sale of fixed assets	(13)	(14)
Operating lease rentals	76	70
Cost of stock recognised as an expense	28,524	28,973

6. Auditor's remuneration

	2016 £'000	2015 £'000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	33	33
Fees payable for all other non-audit services not included above	3	1

Briggs Amasco Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £'000	2015 £'000
Wages and salaries	7,464	7,434
Social security costs	739	739
Other pension costs	1,413	1,369
	<u>9,616</u>	<u>9,542</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Production	119	132
Administration	124	123
	<u>243</u>	<u>255</u>

8. Directors' remuneration

	2016 £'000	2015 £'000
Directors' emoluments	567	512
Company contributions to defined contribution pension schemes	165	134
	<u>732</u>	<u>646</u>

During the year retirement benefits were accruing to five directors (2015: 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £162,000 (2015: £153,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £60,000 (2015: £40,000).

9. Interest receivable

	2016 £'000	2015 £'000
Bank interest	<u>1</u>	<u>-</u>

Briggs Amasco Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

10. Taxation

	2016 £'000	2015 £'000
Corporation tax		
Current tax on profits for the year	428	373
Total current tax	<u>428</u>	<u>373</u>
Deferred tax		
Origination and reversal of timing differences	15	13
Changes to tax rates	-	5
Total deferred tax	<u>15</u>	<u>18</u>
Taxation on profit on ordinary activities	<u>443</u>	<u>391</u>

Factors affecting current tax charge in the year:

The tax assessed for the year is higher than (2015: higher) the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016 £'000	2015 £'000
Profit on ordinary activities before tax	2,186	1,818
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	437	368
Effects of:		
Expenses not deductible for tax purposes	15	18
Other differences	(9)	5
Total tax charge for the year	<u>443</u>	<u>391</u>

11. Dividends

	2016 £'000	2015 £'000
Amounts recognized as distribution to equity holders in the period	428	655
Final dividend for the year ended 31 December 2016 of £0.05 (2015: £0.07) per ordinary share	<u>428</u>	<u>655</u>

Briggs Amasco Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

12. Tangible fixed assets

	Land and buildings £'000	Plant, machinery and vehicles £'000	Total £'000
Cost or valuation			
At 1 January 2016	2,194	2,754	4,948
Additions	27	264	291
Disposals	-	(203)	(203)
At 31 December 2016	2,221	2,815	5,036
Depreciation			
At 1 January 2016	542	2,084	2,626
Charge owned for the period	49	267	316
Disposals	-	(183)	(183)
At 31 December 2016	591	2,168	2,759
Carrying value at 31 December 2016	1,630	647	2,277
Carrying value at 31 December 2015	1,652	670	2,322

The net book value of land and building may be further analysed as follows:

	2016 £'000	2015 £'000
Freehold land	1,586	1,652

Briggs Amasco Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

13. Investment Property

	Freehold Investment Property £'000	Long term Leasehold Investment Property £'000	Total £'000
Valuation and net book value			
At 1 January 2016	1,017	122	1,139
Revaluations	145	(7)	138
At 31 December 2016	1,162	115	1,277

All investment property is stated at fair value determined annually by external valuers all holding recognised and relevant professional qualifications and having recent experience in the location and class of the investment property being valued.

The valuations at 31 December 2016 were made by Ryden LLP, Naylor's Chartered Surveyors, Roberts & Roberts Chartered Surveyors, and Ayers and Cruiks on an open market value for existing use basis.

14. Stocks

	2016 £'000	2015 £'000
Raw materials and consumables	265	315

There is no material difference between the carrying value of the stocks and their replacement cost.

15. Debtors

	2016 £'000	2015 £'000
Trade debtors	9,259	8,262
Amounts owed by group undertakings	5,460	5,460
Other debtors	1	10
Prepayments and accrued income	584	515
Amounts recoverable on long term contracts	943	792
Deferred taxation (note 18)	33	48
	16,280	15,087

Briggs Amasco Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

16. Cash and cash equivalents

	2016 £'000	2015 £'000
Cash at bank and in hand	2,702	2,326

17. Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Payments received on account	489	218
Trade creditors	3,090	3,139
Amounts owed to group undertakings	1,825	1,101
Corporation tax	213	192
Taxation and social security	526	546
Other creditors	74	110
Accruals and deferred income	1,538	2,152
	7,755	7,458

18. Deferred taxation

	Deferred tax £'000
At 1 January 2016	48
Charged to the profit and loss account	(15)
At 31 December 2016	33

The deferred tax asset is made up as follows:

	2016 £'000	2015 £'000
Accelerated capital allowances	24	39
Other timing differences	9	9
	33	48

19. Share capital

	2016 £'000	2015 £'000
Allotted, called up and fully paid 9,327,602 Ordinary shares of £1 each	9,328	9,328

Briggs Amasco Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

20. Reserves

Profit & loss account

This reserve represents cumulative profits and losses.

21. Contingent liabilities

The company has given performance bonds, retention bonds, and advance payment guarantees which are secured by way of £100,000 held in a bank deposit account at 31 December 2016 (2015: £79,000).

The company has guaranteed bank overdrafts and loans in respect of IKO Holdings Plc and fellow subsidiary undertakings. At 31 December 2016, there were £nil amounts outstanding in respect of these guarantees (2015: £nil).

22. Capital commitments

At 31 December 2016 the company had capital commitments as follows:

	2016 £'000	2015 £'000
Contracted for but not provided in these financial statements	-	38

23. Pension commitments

The company participates in the IKO Group Pension Scheme. This is a defined contribution scheme. During the year the company contributed £599,000 (2015: £614,000) to the scheme.

Pension payments outstanding at the year end date were £50,000 (2015: £51,000).

The company participates in the Ruberoid Plc Staff Pension Scheme. This is a defined benefit scheme which was closed to new members in April 2006 and closed to contributions in March 2010.

During the year, the Company contributed £697,000 (2015: £616,000) to the Ruberoid Plc Staff Pension Scheme. During the year, the pension running costs involved £117,000 (2015: £139,000).

As the Ruberoid Plc Staff Pension Scheme is run for the Ruberoid group as a whole, the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis. As permitted by FRS 102, the scheme is therefore accounted for by the company as a defined contribution scheme.

Full disclosure is contained within the financial statements of the company's parent company, IKO UK Limited.

At 31 December 2016, the scheme had a deficit on an FRS 102 basis of £25,747,000 (2015: £14,297,000).

Briggs Amasco Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

24. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £'000	2015 £'000
Not later than 1 year	95	77
Later than 1 year and not later than 5 years	283	256
Later than 5 years	381	323
Total	759	656

25. Related party transactions

The directors have taken advantage of the exemption in FRS 102 not to disclose transactions with other members of the group.

IKO Europe NV, IKO Plc and ATAB NV are under the common control of the ultimate parent company, IKO Enterprises Limited. The following transactions took place during the year with related companies. The transactions were made on an arms' length basis:

The company made purchases in the year of £336,000 (2015: £303,000) from IKO Europe NV.

The company made purchases in the year of £2,656,000 (2015: £3,539,000) from IKO Plc.

The company made purchases in the year of £29,000 (2015: 50,000) from ATAB NV.

At 31 December 2016 the following trade balances were due to related companies and are disclosed within creditors falling due in less than one year:

The company owed £336,000 (2015: £303,000) to IKO Europe NV.

The company owed £1,315,000 (2015: £624,000) to IKO Plc.

As of 31 December 2015, the company owed £164,000 to Maurice Hill Ltd, which was liquidated during the current year.

No other transactions were undertaken such as are required to be disclosed under FRS 102.

26. Ultimate parent undertaking and controlling party

The company's ultimate parent company is IKO Enterprises Limited, a company incorporated in Canada. Its ultimate parent company in the United Kingdom is IKO UK Limited, a company registered in England and Wales, which in turn wholly owns the issued share capital of IKO Holdings Plc, the immediate parent company of the company's immediate parent company, William Briggs & Sons Limited.

The largest and smallest group in which the results of the company are consolidated is IKO Enterprises Limited and IKO UK Limited respectively. Copies of the financial statements are available from the Company Secretary, IKO UK Limited, Appley Lane North, Appley Bridge, Wigan, Lancashire WN6 9AB.