

Briggs Amasco Limited

Registered number: 03541311

Directors' report and financial statements

For the year ended 31 December 2014

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BRIGGS AMASCO LIMITED

COMPANY INFORMATION

Directors	A M Comba N Kershaw H M Koschitzky D P Maginnis A J Smith F Hautman A Lawther A Ferri (appointed 1 January 2014)
Company secretary	TCSS Limited
Registered number	03541311
Registered office	Amasco House 101 Powke Lane Cradley Heath West Midlands B64 5PX
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditors 14th Floor The Plaza 100 Old Hall Street Liverpool L3 9QJ
Bankers	BNP Paribas 5 Aldermanbury Square London EC2V 7HR

BRIGGS AMASCO LIMITED

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BRIGGS AMASCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

Business review

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

Some of the major contracts carried out in the year were; Birmingham New Street (£2m), Broadway Bradford (£1.6m), Resort World NEC (£3.8m) and 5 Broadgate, London (£1.8m).

The recovery is still in its infancy and a degree of uncertainty remains around the strength of the UK and Euro Zone economies and policy decisions following the May elections. Public sector construction is showing the first signs of increasing strength with funding for schools and hospitals expected to lead to an increase in public sector construction. Enquiries for commercial construction in the larger cities have increased, which bodes well for the short to medium term. Competition remains strong for city centre contracts although we are uniquely placed for the multi-disciplined contracts due to our size and ability. The outlook is generally positive with discussions ongoing with a number of large multimillion pound roof packages. We have set up our own consultancy arm to assist architects and end clients with detailed specialist advice at stage C & D in the design process. We believe our consultancy arm will further enhance the Briggs Amasco brand and help differentiate us from our competition.

Orders secured at 31 December 2014 were in the region of £33,009,000, an increase of 1.1% 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 255 staff 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 (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

Financial key performance indicators

The financial results and balance sheet position are set out on pages 9 to 11 of the financial statements.

Turnover has increased from £30.8m to £38.7m in the year ended 31 December 2014, largely as a result of a number of key contract wins during the year. The increased contract activity has resulted in an increase in reported profit before tax from £886,000 to £1,684,000. Company profitability is the key financial performance indicator of business performance.

The balance sheet net assets at 31 December 2014 total £12.6 million which is an increase on the previous year by £1.3 million. Cash management remains a strong driver in the business, and the company generated a net cash inflow of £1.6 million during the year. The cash balance at 31 December 2014 was £3.7 million. Customer and supplier payment terms have been maintained in line with the previous year.

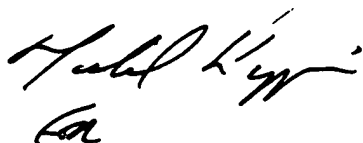
Other key performance indicators

We believe in measuring our non-financial performance internally using 6 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 2014 assessment will be available at the end of April 2015 and are posted on our website.

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



TCSS Limited
Secretary

Date: 6/5/15

BRIGGS AMASCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

Principal activities

The principal activity of the company is that of roofing, waterproofing and wall cladding contracting in the UK.

Results and dividends

The profit for the year, after taxation, amounted to £1,310,000 (2013 - £627,000 - as restated). Full details of the prior year adjustment are disclosed in note 16 to the financial statements.

The directors will not be declaring a dividend in respect of the year ended 31 December 2014 (2013: £nil).

Directors

The directors who served during 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 (appointed 1 January 2014)

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 benefits of D P Maginnis, A J Smith, A Lawther, N Kershaw and A Ferri in the share capital of The Specialist Waterproofing Group Limited is given in William Briggs and Sons Limited's accounts, 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.

Charitable and political donations

Charitable donations in the UK totalled £3,509 (2013: £1,290). No political contributions were made.

BRIGGS AMASCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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.

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 2014

Employees

The company operates a policy whereby employees are recruited, trained, developed and promoted on the basis of their suitability for the work to be performed. In particular no applicant or employee receives less favourable treatment on the grounds of sex, disability, marital or civil partnership status, creed, colour, race, ethnic origin, sexual orientation, gender reassignment, age, or is disadvantaged by conditions or requirements which cannot be shown to be justifiable. The health, safety and welfare of everyone who enters our sites or may be affected by our activities are regarded as the highest priority of the company. Employees who become disabled during their working life will be retrained in employment wherever possible and will be given the required assistance.

Briefing of all employees is carried out in order to ensure important information concerning the business is fully communicated and to provide opportunities for discussion of these and other important matters.

Supplier payment policy

It is the company's general policy to abide by the terms of payment agreed with its suppliers. The company does not follow any code or standard payment practice.

Trade creditor days at 31 December 2014 were 49 days (2013: 52 days).

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

KPMG LLP resigned as auditors on 27 June 2014 and Mazars LLP were appointed in succession. Mazars LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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


For

TCSS Limited
Secretary

Date: 6/5/15

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

BRIGGS AMASCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors are responsible for preparing the Strategic Report, the 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 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 judgments 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;
- 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.

BRIGGS AMASCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRIGGS AMASCO LIMITED

We have audited the financial statements of Briggs Amasco Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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 the other matter prescribed by the Companies Act 2006

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

BRIGGS AMASCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRIGGS AMASCO 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.



Gareth Hitchmough (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditors

14th Floor
The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

2 June 2015

BRIGGS AMASCO LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £000	As restated 2013 £000
Turnover	1,2	38,735	30,817
Cost of sales		(29,993)	(22,741)
Gross profit		8,742	8,076
Administrative expenses		(7,132)	(7,330)
Other operating income		87	171
Operating profit	5	1,697	917
Interest payable and similar charges		(13)	(31)
Profit on ordinary activities before taxation		1,684	886
Tax on profit on ordinary activities	7	(374)	(259)
Profit for the financial year	15	1,310	627

All amounts relate to continuing operations.

The notes on pages 13 to 25 form part of these financial statements.

BRIGGS AMASCO LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £000	As restated 2013 £000
Profit for the financial year		1,310	627
Exchange differences on translation of foreign branch		13	1
Total recognised gains and losses relating to the year		1,323	628
Prior year adjustment	16	244	
Total gains and losses recognised since last financial statements		1,567	

The notes on pages 13 to 25 form part of these financial statements.

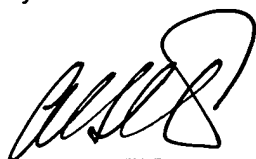
BRIGGS AMASCO LIMITED

Registered number: 03541311

BALANCE SHEET**AS AT 31 DECEMBER 2014**

	Note	£000	2014 £000	As restated 2013 £000
Fixed assets				
Tangible assets	8		3,262	3,063
Current assets				
Stocks	9	300		387
Debtors	10	15,352		13,403
Cash at bank and in hand		3,696		2,094
		<u>19,348</u>		<u>15,884</u>
Creditors: amounts falling due within one year	11	<u>(9,876)</u>		<u>(7,536)</u>
Net current assets			9,472	8,348
Total assets less current liabilities			<u>12,734</u>	<u>11,411</u>
Creditors: amounts falling due after more than one year	12		<u>(174)</u>	<u>(174)</u>
Net assets			<u>12,560</u>	<u>11,237</u>
Capital and reserves				
Called up share capital	14		9,328	9,328
Profit and loss account	15		<u>3,232</u>	<u>1,909</u>
Shareholders' funds	17		<u>12,560</u>	<u>11,237</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



A J Smith
Director

Date:

6/18/15

The notes on pages 13 to 25 form part of these financial statements.

BRIGGS AMASCO LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £000	2013 £000
Net cash flow from operating activities	22	2,271	(376)
Returns on investments and servicing of finance	23	(13)	(31)
Taxation		(167)	-
Capital expenditure and financial investment	23	(489)	(466)
		<hr/>	<hr/>
Increase/(Decrease) in cash in the year		1,602	(873)
		<hr/>	<hr/>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 £000	2013 £000
Increase/(Decrease) in cash in the year	1,602	(873)
	<hr/>	<hr/>
Movement in net debt in the year	1,602	(873)
Net funds at 1 January 2014	2,094	2,967
	<hr/>	<hr/>
Net funds at 31 December 2014	3,696	2,094
	<hr/>	<hr/>

The notes on pages 13 to 25 form part of these financial statements.

BRIGGS AMASCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements, including the restatement of comparative information as detailed in note 16.

1.1 Basis of preparation of financial statements

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

1.2 Going concern

The accounts have been prepared on a going concern basis which assumes the company will have sufficient funds to continue to pay its debts as and when they fall due and thus continue to trade. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future based on its forecasts and projections. In making their assessment, the directors have considered a period of at least 12 months from the date of signing these financial statements.

1.3 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 account 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.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Freehold land is not depreciated. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years
Long Term Leasehold Property	-	50 years
Short Term Leasehold Property	-	Period of lease
Plant, machinery and vehicles	-	20% straight line

No depreciation is provided on assets in the course of construction.

1.5 Research and development

All expenditure except that capitalised on buildings and plant is charged against income as incurred.

BRIGGS AMASCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. Accounting Policies (continued)

1.6 Leased assets

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included in creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments. All other leases are accounted for as operating leases and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes appropriate overheads.

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.9 Pensions

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 17 'Retirement Benefits', 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.

1.10 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

BRIGGS AMASCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. Accounting Policies (continued)

1.11 Comparative financial information

The accounting policy for calculating revenues and profits generated by contracts has been refined as the directors consider this better reflects the underlying results generated by the company's activities. The policy has been applied retrospectively resulting in the restatement of the comparative financial information. The financial effect of these adjustments is summarised in note 16 to the financial statements.

2. Turnover

A geographical analysis of turnover is as follows:

	2014 £000	2013 £000
United Kingdom	38,735	30,765
Rest of European Union	-	52
	<hr/> 38,735 <hr/>	<hr/> 30,817 <hr/>

3. Staff costs

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

	2014 £000	2013 £000
Wages and salaries	7,235	7,517
Social security costs	734	757
Other pension costs	1,083	1,022
	<hr/> 9,052 <hr/>	<hr/> 9,296 <hr/>

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

	2014 No.	2013 No.
Production	132	145
Administration	123	124
	<hr/> 255 <hr/>	<hr/> 269 <hr/>

BRIGGS AMASCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

4. Directors' remuneration

	2014 £000	2013 £000
Remuneration	489	338
Company pension contributions to defined contribution pension schemes	125	78

During the year retirement benefits were accruing to 3 directors (2013 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £144,000 (2013 - £111,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £35,000 (2013 - £20,000).

5. Operating profit

The operating profit is stated after charging/(crediting):

	2014 £000	2013 £000
Depreciation of tangible fixed assets:		
- owned by the company	321	262
Operating lease rentals:		
- plant and machinery	-	2
- other operating leases	100	101
Research and development expenditure written off	13	33
Profit on sale of fixed assets	(32)	(24)

6. Auditors' remuneration

	2014 £000	2013 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	23	48
Fees payable to the company's auditor and its associates in respect of:		
All other non-audit services not included above	1	-
Payable to former auditor	12	-

BRIGGS AMASCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

7. Taxation

	2014 £000	As restated 2013 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	331	195
Adjustments in respect of prior periods	-	3
Total current tax	<u>331</u>	<u>198</u>
Deferred tax		
Origination and reversal of timing differences	43	43
Adjustment in respect of previous periods	-	18
Total deferred tax (see note 13)	<u>43</u>	<u>61</u>
Tax on profit on ordinary activities	<u>374</u>	<u>259</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.2%). The differences are explained below:

	2014 £000	As restated 2013 £000
Profit on ordinary activities before tax	<u>1,684</u>	<u>886</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.2%)	362	206
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	16	20
Capital allowances for year in excess of depreciation	(51)	(12)
Adjustments to tax charge in respect of prior periods	-	3
Other timing differences leading to an increase in taxation	4	5
Unrelieved tax losses carried forward	-	(19)
Other differences leading to a decrease in the tax charge	-	(5)
Current tax charge for the year (see note above)	<u>331</u>	<u>198</u>

BRIGGS AMASCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

7. Taxation (continued)

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 21% (effective from 1 April 2014) to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. This will reduce the company's future tax charges accordingly.

The deferred tax asset at 31 December 2014 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

8. Tangible fixed assets

	Land and buildings £000	Plant, machinery and vehicles £000	Total £000
Cost			
At 1 January 2014	3,011	2,572	5,583
Additions	95	458	553
Disposals	(95)	(200)	(295)
Transfer between classes	58	(58)	-
At 31 December 2014	3,069	2,772	5,841
Depreciation			
At 1 January 2014	624	1,896	2,520
Charge for the year	62	259	321
On disposals	(73)	(189)	(262)
Transfer between classes	15	(15)	-
At 31 December 2014	628	1,951	2,579
Net book value			
At 31 December 2014	2,441	821	3,262
At 31 December 2013	2,387	676	3,063

At 31 December 2014 included within the net book value for land and buildings is £2,435,000 (2013: £2,381,000) relating to freehold property, £6,000 (2013: £6,000) relating to long term leasehold property and £nil (2013: £nil) relating to short term leasehold property.

9. Stocks

	2014 £000	As restated 2013 £000
Raw materials	300	387

BRIGGS AMASCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

10. Debtors

	2014 £000	As restated 2013 £000
Due after more than one year		
Amounts owed by group undertakings	5,400	5,400
Due within one year		
Trade debtors	8,873	6,593
Amounts owed by group undertakings	60	60
Other debtors	4	9
Prepayments and accrued income	594	619
Amounts recoverable on long term contracts	355	613
Deferred tax asset (see note 13)	66	109
	<u>15,352</u>	<u>13,403</u>

11. Creditors: Amounts falling due within one year

	2014 £000	As restated 2013 £000
Payments received on account	951	125
Trade creditors	2,870	2,087
Amounts owed to group undertakings	1,877	2,034
Corporation tax	398	233
Other taxation and social security	847	708
Other creditors	118	223
Accruals and deferred income	2,815	2,126
	<u>9,876</u>	<u>7,536</u>

12. Creditors: Amounts falling due after more than one year

	2014 £000	2013 £000
Amounts owed to group undertakings	<u>174</u>	<u>174</u>

BRIGGS AMASCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

13. Deferred tax asset

	2014 £000	2013 £000
At beginning of year	109	170
Charged for year	(43)	(61)
At end of year	<u>66</u>	<u>109</u>

The deferred tax asset is made up as follows:

	2014 £000	2013 £000
Accelerated capital allowances	49	97
Other timing differences	17	12
	<u>66</u>	<u>109</u>

14. Share capital

	2014 £000	2013 £000
Allotted, called up and fully paid		
9,327,602 Ordinary shares of £1 each	<u>9,328</u>	<u>9,328</u>

15. Reserves

	Profit and loss account £000
At 1 January 2014 (as previously stated)	1,665
Prior year adjustment (note 16)	244
At 1 January 2014 (as restated)	<u>1,909</u>
Profit for the financial year	1,310
Other movements	13
At 31 December 2014	<u>3,232</u>

BRIGGS AMASCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

16. Prior year adjustment

During the year the directors have refined the accounting policy for the recognition of revenues generated by contracts. Full details of the accounting policies are set out in note 1 to the financial statements. The application of this policy has been applied retrospectively resulting in the restatement of the comparative financial information. This has had the following effects:

Impact on profit and loss account

The previous policy was to recognise only the turnover and costs for those contracts that were completed during the year, although recognising the profits on all contracts as activity progressed. The revised policy recognises turnover and costs on all contracts as contract activity progresses, and this has been applied retrospectively by way of a prior year adjustment, resulting in the restatement of comparative information for the year ended 31 December 2013 as follows:

	As restated 2013 £000	As previously stated 2013 £000	Prior year adjustment 2013 £000
Turnover	30,817	36,974	(6,157)
Cost of sales	(22,741)	(28,389)	5,648
Administrative expenses	(7,330)	(8,065)	735
Other operating income	171	171	-
Interest	(31)	(31)	-
Profit before tax	886	660	226
Taxation	(259)	(211)	(48)
Profit after tax	627	449	178

Impact on balance sheet

Where recognised turnover is greater than that invoiced this is disclosed as amounts recoverable on contracts in debtors. Where recognised turnover is less than that invoiced this is disclosed as payments on account in creditors. This replaces the previous accounting treatment to disclose these balances as work in progress and payments on account in stock.

	As restated 2013 £000	As previously stated 2013 £000	Prior year adjustment 2013 £000
Stock (note 9)	387	565	(178)
Amounts recoverable on contracts (note 10)	613	-	613
Payments received on account (note 11)	(125)	-	(125)
Corporation tax (note 11)	(233)	(167)	(66)
Adjustment to shareholders' funds at 31 December 2013			244
Recognised in 2013 profit and loss account (above)			178
Adjustment to shareholders' funds at 31 December 2012			66

The impact on shareholders' funds is disclosed in further detail below:

BRIGGS AMASCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

16. Prior year adjustment (continued)

Impact on shareholders' funds

	As restated £000	As previously stated £000	Prior year adjustment £000
Year ended 31 December 2012			
Shareholders' funds at 1 January 2012	10,347	10,347	-
Profit for the financial year	266	200	66
Other recognised gains and losses during the year	(4)	(4)	-
	<u>10,609</u>	<u>10,543</u>	<u>66</u>
Shareholders' funds at 31 December 2012	10,609	10,543	66
Year ended 31 December 2013			
Profit for the financial year	627	449	178
Other recognised gains and losses during the year	1	1	-
	<u>11,237</u>	<u>10,993</u>	<u>244</u>
Shareholders' funds at 31 December 2013	11,237	10,993	244

17. Reconciliation of movement in shareholders' funds

	2014 £000	As restated 2013 £000
Opening shareholders' funds	10,993	10,543
Prior year adjustments (note 16)	244	66
	<u>11,237</u>	<u>10,609</u>
Opening shareholders' funds (as restated)	11,237	10,609
Profit for the financial year	1,310	627
Other recognised gains and losses during the year	13	1
	<u>12,560</u>	<u>11,237</u>
Closing shareholders' funds	12,560	11,237

18. Contingent liabilities

The company has given performance bonds, retention bonds, and advance payment guarantees which are secured by way of £388,541 held in a bank deposit account at 31 December 2014.

The company has guaranteed bank overdrafts and loans in respect of IKO Holdings Plc and fellow subsidiary undertakings. At 31 December 2014, there were no amounts outstanding in respect of these guarantees (2013: £Nil).

BRIGGS AMASCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

19. Capital commitments

At 31 December 2014 the company had capital commitments as follows:

	2014 £000	2013 £000
Contracted for but not provided in these financial statements	4	68

20. Pension commitments

The company participates in the IKO Group Pension Scheme. This is a defined contribution scheme. During the year the company contributed £467,000 (2013: £477,000) to the scheme.

FRS 17 Retirement Benefits

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 £439,000 (2013: £427,000) to the Ruberoid Plc Staff Pension Scheme.

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 17 Retirement Benefits, 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 2014, the scheme had a deficit on an FRS 17 basis of £18,404,000 (2013: £16,218,000).

21. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £000	2013 £000	2014 £000	2013 £000
Expiry date:				
Within 1 year	32	63	-	-
Between 2 and 5 years	-	32	-	-
After more than 5 years	30	5	-	-

Total aggregate commitments held under non-cancellable operating leases at 31 December 2014 relating to land and buildings is £533,016 (2013: £394,944). This is based upon the assumption that the leases will all run to their expiration date and therefore does not account for any break clauses that may be in place. It also excludes any increases in rent that may become payable following scheduled rent reviews implicit in the lease agreements.

BRIGGS AMASCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

22. Net cash flow from operating activities

	2014 £000	2013 £000
Operating profit	1,697	917
Depreciation of tangible fixed assets	321	262
Profit on disposal of tangible fixed assets	(32)	(24)
Decrease in stocks	87	3
Increase in debtors	(1,978)	(164)
Increase/(decrease) in creditors	2,176	(1,370)
Net cash inflow/(outflow) from operating activities	2,271	(376)

23. Analysis of cash flows for headings netted in cash flow statement

	2014 £000	2013 £000
Returns on investments and servicing of finance		
Interest paid	(13)	(31)

	2014 £000	2013 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(553)	(498)
Sale of tangible fixed assets	64	32
Net cash outflow from capital expenditure	(489)	(466)

24. Analysis of changes in net funds

	1 January 2014 £000	Cash flow £000	Other non-cash changes £000	31 December 2014 £000
Cash at bank and in hand	2,094	1,602	-	3,696
Net funds	2,094	1,602	-	3,696

BRIGGS AMASCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

25. Related party transactions

The directors have taken advantage of the exemption in 'FRS 8 Related Party Disclosures' 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 non-executive director, A M Comba, is also a director of Vinci Construction UK Limited. The following transactions took place during the year with related companies. These transactions were made on an arms length basis:

	2014 Sales £000	2014 Purchases £000	2013 Sales £000	2013 Purchases £000
IKO Europe NV	-	320	-	341
IKO Plc	16	4,146	-	2,393
ATAB NV	-	78	-	66
Vinci Construction UK Limited	137	-	71	-

During the year the company paid interest of £13,000 (2013: £31,000) to IKO Plc, a company under the common control of the ultimate parent company, IKO Enterprises Limited.

At 31 December 2014 the following trading balances were due to related companies and are disclosed within creditors falling due in less than one year:

	2014 £000	2013 £000
IKO Europe NV	320	341
IKO Plc	1,557	1,653
ATAB NV	-	40
Total	1,877	2,034

At 31 December 2014 an amount of £40,084 (2013: £24,311) was due from Vinci Construction UK Limited. This amount is shown within trade debtors falling due in less than one year.

No other transactions were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

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 financial statements have been consolidated in the financial statements of IKO UK Limited. Copies of the financial statements are available from the Company Secretary, IKO UK Limited, Appley Lane North, Appley Bridge, Wigan, Lancashire, WN6 9AB.