

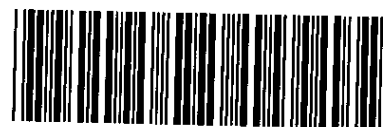
BRUNDALL INVESTMENTS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2016

parent accounts
Broom Marine Group
Limited 7183315

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BRUNDALL INVESTMENTS LTD

COMPANY INFORMATION

Directors	M Scott R Scott
Registered number	08335186
Registered office	Broom Boats Marina Riverside Brundall Norwich Norfolk NR13 5PX
Independent auditors	Price Bailey LLP Chartered Accountants & Statutory Auditors 20 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich Norfolk NR7 0HR

BRUNDALL INVESTMENTS LTD

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BRUNDALL INVESTMENTS LTD

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2016

Introduction

The principal activities of the group during the year boat building and maintenance, marina operator, boating holidays provider and boat sales outlet.

Business review

We believe that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being gross profit, profit before tax and net assets.

Gross profit has increased from £925,350 in 2015 to £1,456,693 in 2016. Loss before tax has decreased to £802,726 in 2016 compared to £2,048,764 in 2015. Net liabilities have increased to £5,180,475 in 2016 compared to a net liability £4,423,590 in 2015.

The directors are have stated that they are disappointed with the results disclosed, although there was a notable improvement on recent trading periods.

The boating holidays market has continued to grow within the Broads National Park and this has resulted in strong booking levels and revenue growth. Manufacturing of new boats has been focused towards diversifying and de-risking the business to have a wider product offering generating a steadier and advanced order book and the focus on this in H2 of 2016 has resulted in strong advanced orders being secured.

Principal risks and uncertainties

The company is exposed to foreign exchange risk due to many of the suppliers being impact by the weakening of sterling against the euro. This resulted in several phased price increases from many suppliers in Q3 and Q4 of 2016 however amendments to list price of product has offset some of this exposure.

The continued volatility of sterling continues to create uncertainty about future purchase price of materials.

It should be noted however that the weakening of sterling has also created a strong opportunity to export finished products to mainland Europe and also increased the cost of imported brands which has increased competitiveness of the Company's product in the UK.

Exchange rate and other threats abroad has also resulted in strong performance in the holidays business, where staycations have steadily resulted in increased visitors to the Broads National Park as a whole, with the industry consensus being one of continued year on year growth / booking levels, however should sterling strengthen against the euro it could have the converse impact in the coming years.

This report was approved by the board on

30/08/2017

and signed on its behalf.



M Scott
Director

BRUNDALL INVESTMENTS LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2016

The directors present their report and the financial statements for the year ended 30 November 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 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'. 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 Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £670,440 (2015 - loss £1,826,445).

Directors

The directors who served during the year were:

M Scott
R Scott

Future developments

The directors continue to review opportunities to grow the business in the new financial year.

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 the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the 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 and the Group's auditors are aware of that information.

Post balance sheet events

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

BRUNDALL INVESTMENTS LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2016**

Auditors

The auditors, Price Bailey LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30/08/2017 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'M Scott', with a long horizontal stroke extending to the right.

M Scott
Director

BRUNDALL INVESTMENTS LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BRUNDALL INVESTMENTS LTD

We have audited the financial statements of Brundall Investments Ltd for the year ended 30 November 2016, set out on pages 6 to 30. The relevant financial reporting framework that has been applied in their preparation is applicable law and the 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 2, 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and the parent 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 Group Strategic Report and the Directors' 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 Group's and the parent Company's affairs as at 30 November 2016 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BRUNDALL INVESTMENTS LTD

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BRUNDALL INVESTMENTS LTD
(CONTINUED)**

Emphasis of matter

In forming our opinion, which is not modified in this respect, we have considered the adequacy of the disclosures made in note 2.3 to the financial statements concerning the Group's ability to continue as a going concern. The Group has net liabilities of £5,180,066 for the year ended 30 November 2016 with a net loss of £756,476. The parent Company balance sheet includes amounts recoverable from subsidiaries of £8,301,947. The need of support from the parent undertaking leads to an uncertainty surrounding the length of time working capital requirements can continue to be supported and the recoverability of balances from subsidiaries, indicating a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. These conditions, along with the other matters explained in note 2.3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

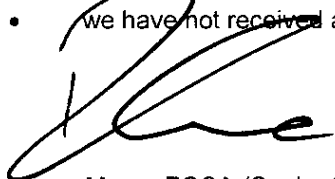
Opinion on other matter prescribed by the Companies Act 2006

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

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.



Daren Moore FCCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

20 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR
Date:

31 August 2017

BRUNDALL INVESTMENTS LTD

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2016**

	Note	2016 £	2015 £
Turnover	4	3,779,856	4,905,960
Cost of sales		(2,323,163)	(3,980,610)
Gross profit		<u>1,456,693</u>	<u>925,350</u>
Distribution costs		(56,352)	(41,294)
Administrative expenses		(2,403,067)	(2,358,708)
Exceptional administrative expenses	12	(123,985)	(285,890)
Other operating income	5	<u>54,865</u>	<u>62,104</u>
Operating loss	6	<u>(1,071,846)</u>	<u>(1,698,438)</u>
Interest receivable and similar income	9	47	91
Interest payable and expenses	10	<u>315,323</u>	<u>(350,417)</u>
Loss before taxation		<u>(756,476)</u>	<u>(2,048,764)</u>
Tax on loss	11	<u>45,841</u>	<u>35,298</u>
Loss for the year		<u><u>(710,635)</u></u>	<u><u>(2,013,466)</u></u>
Loss for the year attributable to:			
Non-controlling interests		(40,195)	(187,021)
Owners of the parent Company		<u>(670,440)</u>	<u>(1,826,445)</u>
		<u><u>(710,635)</u></u>	<u><u>(2,013,466)</u></u>
Total comprehensive income for the year attributable to:			
Non-controlling interest		(40,195)	(187,021)
Owners of the parent Company		<u>(670,439)</u>	<u>(1,826,444)</u>
		<u><u>(710,634)</u></u>	<u><u>(2,013,465)</u></u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated statement of comprehensive income.

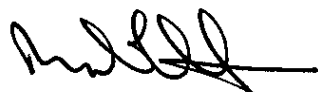
The notes on pages 13 to 30 form part of these financial statements.

BRUNDALL INVESTMENTS LTD
REGISTERED NUMBER: 08335186

CONSOLIDATED BALANCE SHEET
AS AT 30 NOVEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	14	95,713	(37,492)
Tangible assets	15	5,245,612	4,728,089
		<u>5,341,325</u>	<u>4,690,597</u>
Current assets			
Stocks	17	1,862,467	1,377,693
Debtors: amounts falling due within one year	18	601,029	1,473,483
Cash at bank and in hand		189,208	24,391
		<u>2,652,704</u>	<u>2,875,567</u>
Creditors: amounts falling due within one year	19	(12,696,068)	(10,455,412)
Net current liabilities		<u>(10,043,364)</u>	<u>(7,579,845)</u>
Total assets less current liabilities		<u>(4,702,039)</u>	<u>(2,889,248)</u>
Creditors: amounts falling due after more than one year	20	(459,102)	(1,534,342)
Provisions for liabilities			
Other provisions	23	(19,334)	-
		<u>(19,334)</u>	<u>-</u>
Net liabilities		<u><u>(5,180,475)</u></u>	<u><u>(4,423,590)</u></u>
Capital and reserves			
Called up share capital	24	100	100
Profit and loss account		(5,180,575)	(4,207,905)
Equity attributable to owners of the parent Company		<u>(5,180,475)</u>	<u>(4,207,805)</u>
Non-controlling interests		-	(215,785)
		<u><u>(5,180,475)</u></u>	<u><u>(4,423,590)</u></u>

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



M Scott
Director

The notes on pages 13 to 30 form part of these financial statements.

30/06/2017

BRUNDALL INVESTMENTS LTD
REGISTERED NUMBER: 08335186

COMPANY BALANCE SHEET
AS AT 30 NOVEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	14	68,344	58,344
Investments	16	107,868	61,618
		<u>176,212</u>	<u>119,962</u>
Current assets			
Debtors: amounts falling due within one year	18	8,303,423	6,632,686
Cash at bank and in hand		53	60
		<u>8,303,476</u>	<u>6,632,746</u>
Creditors: amounts falling due within one year	19	(9,528,027)	(7,902,623)
Net current liabilities		<u>(1,224,551)</u>	<u>(1,269,877)</u>
Total assets less current liabilities		<u>(1,048,339)</u>	<u>(1,149,915)</u>
Net liabilities		<u>(1,048,339)</u>	<u>(1,149,915)</u>
Capital and reserves			
Called up share capital	24	100	100
Profit and loss account		(1,048,439)	(1,150,015)
		<u>(1,048,339)</u>	<u>(1,149,915)</u>

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

M Scott
Director

30/08/2017



BRUNDALL INVESTMENTS LTD

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2016**

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 December 2015	100	(4,207,905)	(4,207,805)	(215,785)	(4,423,590)
Comprehensive income for the year					
Loss for the year	-	(670,440)	(670,440)	(40,195)	(710,635)
Total comprehensive income for the year	-	(670,440)	(670,440)	(40,195)	(710,635)
Transfer to/from Non-controlling interest	-	(302,230)	(302,230)	255,980	(46,250)
Total transactions with owners	-	(302,230)	(302,230)	255,980	(46,250)
At 30 November 2016	100	(5,180,575)	(5,180,475)	-	(5,180,475)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2015**

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 December 2014	100	(2,381,460)	(2,381,360)	(28,764)	(2,410,124)
Comprehensive income for the year					
Loss for the year	-	(1,826,445)	(1,826,445)	(187,021)	(2,013,466)
Total comprehensive income for the year	-	(1,826,445)	(1,826,445)	(187,021)	(2,013,466)
At 30 November 2015	100	(4,207,905)	(4,207,805)	(215,785)	(4,423,590)

The notes on pages 13 to 30 form part of these financial statements.

BRUNDALL INVESTMENTS LTD

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 December 2015	100	(1,150,015)	(1,149,915)
Comprehensive income for the year			
Profit for the year	-	101,576	101,576
	-	101,576	101,576
Total comprehensive income for the year			
At 30 November 2016	100	(1,048,439)	(1,048,339)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 December 2014	100	(1,113,338)	(1,113,238)
Comprehensive income for the year			
Loss for the year	-	(36,677)	(36,677)
	-	(36,677)	(36,677)
Total comprehensive income for the year			
At 30 November 2015	100	(1,150,015)	(1,149,915)

The notes on pages 13 to 30 form part of these financial statements.

BRUNDALL INVESTMENTS LTD

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

	2016 £	2015 £
Cash flows from operating activities		
Loss for the financial year	(710,635)	(2,013,466)
Adjustments for:		
Amortisation of intangible assets	(94,530)	(116,257)
Depreciation of tangible assets	231,348	150,696
Impairments of fixed assets	123,985	285,890
Loss/(profit) on disposal of tangible assets	29,143	(15,885)
Interest paid	(315,323)	350,417
Interest received	(47)	(91)
Taxation charge	(45,841)	(35,298)
(Increase) in stocks	(484,774)	(322,160)
Decrease/(increase) in debtors	873,967	(384,358)
Increase in creditors	1,366,395	2,438,896
Increase/(decrease) in amounts owed to participating ints	-	(1,000)
Increase in provisions	19,334	-
Corporation tax received	808	35,298
Investment additions	(46,250)	-
Net cash generated from operating activities	<u>947,580</u>	<u>372,682</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(43,870)	(15,801)
Purchase of tangible fixed assets	(896,804)	(542,673)
Sale of tangible fixed assets	-	27,400
Sale of fixed asset investments	-	1,000
Interest received	47	91
HP interest paid	-	(545)
Net cash from investing activities	<u>(940,627)</u>	<u>(530,528)</u>
Cash flows from financing activities		
New secured loans	239,000	1,101,350
Repayment of loans	(217,240)	(1,195,130)
Repayment of/new finance leases	-	(13,250)
Interest paid	315,323	(349,872)
Net cash used in financing activities	<u>337,083</u>	<u>(456,902)</u>

BRUNDALL INVESTMENTS LTD

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2016**

	2016 £	2015 £
Net increase/(decrease) in cash and cash equivalents	344,036	(614,748)
Cash and cash equivalents at beginning of year	(541,437)	73,311
Cash and cash equivalents at the end of year	<u>(197,401)</u>	<u>(541,437)</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	189,208	24,391
Bank overdrafts	(386,609)	(565,828)
	<u>(197,401)</u>	<u>(541,437)</u>

The Company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102, para 1.12 (b) not to present the Company statement of cash flows.

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

1. General information

Brundall Investments Limited is a limited Company incorporated in the United Kingdom. The registered office is The Yacht Station, Riverside, Brundall, Norwich, NR13 5PX. The Groups principal activities are that of a boat broker, the design and manufacturing of commercial graphics and signs, the chartering of boats, the manufacturing of boats, boat servicing and repairs and operation of a marina.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 28.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries (*"the Group"*) as if they form a single entity. *Intercompany transactions and balances between group companies are therefore eliminated in full.*

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases

2.3 Going concern

The group incurred a net loss of £710,635 during the year ended 30 November 2016 and at that date the group's net current liabilities were £10,043,364 and net liabilities of £5,180,475. The group meets its day to day working capital requirements through a combination of formal bank borrowings and the financial support of the directors. The bank facilities of £2,699,826 are secured over the assets of the Group. Included in the bank facility is an overdraft of £400,000 which is due for renewal January 2018. The directors have confirmed that their loans of £9,525,027 will not be withdrawn in the foreseeable future unless funds permit. The parent Company balance sheet includes amounts due from subsidiaries of £8,301,947. Based on the support from the directors in relation to these subsidiaries, the directors consider these amounts recoverable.

In forming their decision on going concern, the directors have considered a period of no less than 12 months from the date of approval of these financial statements. The results for the year ended 30 November 2016 show a significant improvement on previous years and with the continued availability of sufficient levels of finance, the directors consider it appropriate to prepare the financial statements on the going concern basis.

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

2. Accounting policies (continued)

2.4 Revenue

Revenue is the total amount, excluding value added tax, receivable by the group in the ordinary course of business for goods supplied and for services provided as principal. The Group's sales channels and their recognition policies are listed below.

Sale of goods

On the sale of standard products and repairs, revenue is recognised by the Group on completion of the job.

Sale of boats built

On the sale of boats built, revenue is recognised across the life of the build.

Brokerage sales

Revenue in respect of boats sold and commissions earned during the year are recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Boat Hire

Revenue in respect of boat hire during the year is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

2. Accounting policies (continued)

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Negative goodwill arising on acquisitions is capitalised and amortised over 5 years. This represents the period when benefit is expected to be received on the basis that this goodwill is in respect of monetary assets.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following bases:

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Short term leasehold property	- Straight line over the life of the lease
Plant and machinery	- 2% - 25% reducing balance
Motor vehicles	- 25% straight line
Fixtures and fittings	- 15% reducing balance

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 in the Consolidated Statement of Comprehensive Income.

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

2. Accounting policies (continued)

2.7 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Development costs

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised over the anticipated life of the benefits arising from the completed product or project.

Development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related development is written off to the Profit and Loss account.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.13 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

2. Accounting policies (continued)

2.13 Financial instruments (continued)

and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

2.17 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.18 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

2. Accounting policies (continued)

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.20 Taxation

Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.21 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date, and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. No judgements (apart from those involving estimates) have been made when preparing the financial statements.

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- Stock provision

A provision for stock where net realisable value is expected to be less than cost has been included in the financial statements to ensure the stock balance represents a recoverable amount, as reflected in Note 17.

- Legal Provision

A provision for legal costs has been included within the financial statements relating to a legal case which was settled after the year end. This has been disclosed in Note 23.

- Amounts recoverable on contracts

Amounts recoverable on contracts are assessed on a contract by contract basis and turnover and related costs are recognised as the activity progresses.

- Amortisation on development costs

Development costs consist of expenditure incurred by the Group in the design and development of new boating models. An amortisation rate of 5% per use has been applied.

4. Turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Goods	1,517,191	2,984,756
Services	2,140,254	1,822,101
Hire	122,411	99,102
	<u>3,779,856</u>	<u>4,905,959</u>

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	3,179,536	4,745,133
Rest of Europe	600,320	160,827
	<u>3,779,856</u>	<u>4,905,960</u>

BRUNDALL INVESTMENTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

5. Other operating income

	2016 £	2015 £
Net rents receivable	54,865	62,104
	<u>54,865</u>	<u>62,104</u>

6. Operating loss

The operating loss is stated after charging:

	2016 £	2015 £
Research & development charged as an expense	10,120	47,453
Depreciation of tangible fixed assets	231,348	150,696
Impairment of tangible fixed assets	118,790	-
Amortisation of intangible assets, including goodwill	(94,530)	(159,008)
Impairment of intangible assets	5,195	285,890
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	3,000	3,000
- The audit of the Group's subsidiaries pursuant to legislation	18,050	23,380
- Non audit services	-	1,500
Other operating lease rentals	15,156	25,155
	<u>15,156</u>	<u>25,155</u>

7. Employees

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

	2016 £	2015 £
Wages and salaries	2,391,473	2,271,720
Social security costs	34,982	29,470
Cost of defined contribution scheme	2,853	1,203
	<u>2,429,308</u>	<u>2,302,393</u>

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

	2016 No.	2015 No.
Boat building and repairing	72	72
Selling, distribution and administration	29	33
	<u>101</u>	<u>105</u>

BRUNDALL INVESTMENTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

8. Directors' remuneration

During the year retirement benefits were accruing to no directors (2015 - NIL) in respect of defined contribution pension schemes.

9. Interest receivable

	2016 £	2015 £
Other interest receivable	47	91
	<u>47</u>	<u>91</u>

10. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	100,901	129,508
Other loan interest payable	(416,224)	220,364
Finance leases and hire purchase contracts	-	545
	<u>(315,323)</u>	<u>350,417</u>

11. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	(21,699)	-
Adjustments in respect of previous periods	(24,142)	(35,298)
	<u>(45,841)</u>	<u>(35,298)</u>
Total current tax	<u>(45,841)</u>	<u>(35,298)</u>

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

11. Taxation (continued)

Factors affecting tax charge for the year

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

	2016 £	2015 £
Loss on ordinary activities before tax	(756,477)	(2,048,764)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	(160,545)	(409,753)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	(22,267)	31,926
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	40,419	3,318
Capital allowances for year in excess of depreciation	(34,743)	(96,741)
Adjustments to tax charge in respect of prior periods	(24,142)	(35,298)
Other timing differences leading to an increase (decrease) in taxation	130,372	58,712
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(21,699)	-
Changes in provisions leading to an increase (decrease) in the tax charge	(180)	-
Unrelieved tax losses carried forward	46,944	412,538
Total tax charge for the year	(45,841)	(35,298)

Factors that may affect future tax charges

At 30 November 2016, the Company has tax losses of £7,140,573 (2015: £5,708,221) available for offset against future taxable profits. A further deferred tax asset of £1,213,897 (£1,141,644) has not been recognised in the financial statements.

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These included reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

12. Exceptional items

	2016 £	2015 £
Impairment of development costs and tangible fixed assets	123,985	285,890
	<u>123,985</u>	<u>285,890</u>

The impairment was as a result of the reduction in production and orders for boats which have had development costs associated with them.

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £101,576 (2015 - loss £36,677).

14. Intangible assets

Group

	Land options £	Develop- ment £	Trademarks £	Goodwill £	Negative goodwill £	Total £
Cost						
At 1 December 2015	58,344	651,449	5,550	44,000	(855,037)	(95,694)
Additions	10,000	33,870	-	-	-	43,870
At 30 November 2016	68,344	685,319	5,550	44,000	(855,037)	(51,824)
Amortisation						
At 1 December 2015	-	430,822	-	24,000	(513,024)	(58,202)
Charge for the year	-	64,478	-	12,000	(171,008)	(94,530)
Impairment charge	-	5,195	-	-	-	5,195
At 30 November 2016	-	500,495	-	36,000	(684,032)	(147,537)
Net book value						
At 30 November 2016	68,344	184,824	5,550	8,000	(171,005)	95,713
At 30 November 2015	58,344	220,627	5,550	20,000	(342,013)	(37,492)

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016

14. Intangible assets (continued)

Company

	Land options £
Cost	
At 1 December 2015	58,344
Additions	10,000
At 30 November 2016	<u>68,344</u>
Net book value	
At 30 November 2016	<u>68,344</u>
At 30 November 2015	<u>58,344</u>

BRUNDALL INVESTMENTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

15. Tangible fixed assets

Group

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Total £
Cost or valuation				
At 1 December 2015	2,988,787	16,764	2,021,616	5,027,167
Additions	-	-	896,804	896,804
Disposals	-	-	(29,328)	(29,328)
At 30 November 2016	<u>2,988,787</u>	<u>16,764</u>	<u>2,889,092</u>	<u>5,894,643</u>
Depreciation				
At 1 December 2015	45,000	3,232	250,846	299,078
Charge for the year on owned assets	15,000	2,707	213,641	231,348
Disposals	-	-	(185)	(185)
Impairment charge	-	-	118,790	118,790
At 30 November 2016	<u>60,000</u>	<u>5,939</u>	<u>583,092</u>	<u>649,031</u>
Net book value				
At 30 November 2016	<u>2,928,787</u>	<u>10,825</u>	<u>2,306,000</u>	<u>5,245,612</u>
At 30 November 2015	<u>2,943,787</u>	<u>13,532</u>	<u>1,770,770</u>	<u>4,728,089</u>

Included in freehold property is freehold land and moorings at a valuation of £2,250,000 (original cost £4,700) which is not depreciated.

The Company applied the transitional arrangements of Section 35 of FRS 102 and used the valuation at transition as the deemed cost for the land and buildings. As the assets are depreciated or sold an appropriate transfer is made from the revaluation reserve to retained earnings.

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

	2016 £	2015 £
Freehold	2,928,787	2,913,094
Short leasehold	10,825	13,533
	<u>2,939,612</u>	<u>2,926,627</u>

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

16. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Broom Boats Limited		Ordinary	100 % Boat manufacturer
Broom Boat Sales Limited		Ordinary	100 % Boat broker
Broom Boating Holidays Limited		Ordinary	100 % Boat chartering
Broom Marine Group Limited		Ordinary	100 % Holding company
Engraphics Limited		Ordinary	100 % Manufacturer of graphics and signs

Broom Boat Sales Limited, Broom Boating Holidays Limited, Broom Marine Group Limited and Engraphics Limited are exempt from the requirement to prepare audited individual accounts per Section 479A of the Companies Act 2006..

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 December 2015	1,065,001
Additions	46,250
At 30 November 2016	<u>1,111,251</u>
Impairment	
At 1 December 2015	<u>1,003,383</u>
At 30 November 2016	<u>1,003,383</u>
Net book value	
At 30 November 2016	<u>107,868</u>
At 30 November 2015	<u>61,618</u>

BRUNDALL INVESTMENTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2016**

17. Stocks

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Raw materials and consumables	326,162	1,111,427	-	-
Work in progress	364,613	139,117	-	-
Finished goods and goods for resale	1,171,692	127,149	-	-
	<u>1,862,467</u>	<u>1,377,693</u>	<u>-</u>	<u>-</u>

18. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	389,410	271,867	-	-
Amounts owed by group undertakings	-	-	8,301,923	6,294,842
Other debtors	87,698	512,045	1,500	337,844
Called up share capital not paid	1	1	-	-
Prepayments and accrued income	5,439	4,722	-	-
Amounts recoverable on long term contracts	38,353	606,233	-	-
Tax recoverable	80,128	78,615	-	-
	<u>601,029</u>	<u>1,473,483</u>	<u>8,303,423</u>	<u>6,632,686</u>

19. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank overdrafts	386,609	565,828	-	-
Bank loans	1,854,115	800,635	-	-
Payments received on account	197,505	138,048	-	-
Trade creditors	299,478	343,359	-	-
Other taxation and social security	122,882	77,445	-	-
Other creditors	9,649,836	7,570,976	9,525,027	7,444,296
Accruals and deferred income	185,643	959,121	3,000	458,327
	<u>12,696,068</u>	<u>10,455,412</u>	<u>9,528,027</u>	<u>7,902,623</u>

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

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

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans	459,102	1,534,342	-	-
	<u>459,102</u>	<u>1,534,342</u>	<u>-</u>	<u>-</u>

21. Loans

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Amounts falling due within one year				
Bank loans	1,854,115	800,635	-	-
	<u>1,854,115</u>	<u>800,635</u>	<u>-</u>	<u>-</u>
Amounts falling due 1-2 years				
Bank loans	459,102	824,105	-	-
	<u>459,102</u>	<u>824,105</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than 5 years				
Bank loans	-	710,237	-	-
	<u>-</u>	<u>710,237</u>	<u>-</u>	<u>-</u>
	<u>2,313,217</u>	<u>2,334,977</u>	<u>-</u>	<u>-</u>

Amounts owed above includes a loan with HSBC for £1,400,000. Interest accrues at 3.79% per annum over the Bank's Sterling Base Rate. The loan is due for repayment by November 2026. The loan is secured by a debenture comprising fixed and floating charges over all the assets and undertakings of the Group including all present and future freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital, both present and future.

Amounts owed to Close Bros are secured over the assets of the Group. Interest accrues at 6% per annum over the base rate.

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

22. Financial instruments

	Group 2016 £	Group 2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	189,208	24,391
Financial assets that are debt instruments measured at amortised cost	477,109	783,912
	<u>666,317</u>	<u>808,303</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(12,834,781)	(11,773,311)
	<u>(12,834,781)</u>	<u>(11,773,311)</u>

The Company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102, para 1.12 (c) not to present Company financial instruments held at fair value.

Financial assets that are debt instruments measured at amortised cost comprise of trade, other debtors and amounts recoverable on long term contracts.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade, other creditors and accruals.

23. Provisions

Group

	Legal Provision £
Charged to profit or loss	19,334
At 30 November 2016	<u>19,334</u>

Legal provision

On 27 May 2017, the Group received a collection order from the courts for the above sum in relation to an workplace incident which occurred during the year ended 30 November 2016.

24. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

25. Commitments under operating leases

At 30 November 2016 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £
Not later than 1 year	10,443	22,105
Later than 1 year and not later than 5 years	13,297	23,740
	<u>23,740</u>	<u>45,845</u>

26. Related party transactions

The company operates a loan account with M Scott, a director. Interest that had previously been charged totalling £455,327 has been reversed during the year and has been removed from accruals and deferred income for the Group.

The amount due to M Scott at the year end was £9,525,027 (2015: £7,444,296).

There were no amounts paid during the year for key management personnel.

The company has taken advantage of the exemption from the requirement to disclose transactions with wholly owned group companies.

27. Controlling party

The controlling party during the year M Scott by virtue of him owning 100% of the share capital in the Company. Since the year end M Scott Property Group Limited, which is incorporated and registered in England and Wales, took control of the group, with M Scott maintaining significant control of the Group.

28. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.