

BRUNDALL INVESTMENTS LTD

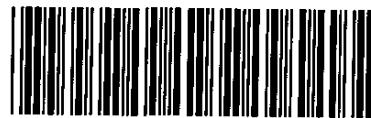
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2017

COPY OF PARENT COMPANY
CONSOLIDATED ACCOUNTS

BROOM MARINE GROUP LIMITED
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BRUNDALL INVESTMENTS LTD

COMPANY INFORMATION

Directors	M R Scott R J Scott
Registered number	08335186
Registered office	Broom Boats Marina Riverside Brundall Norwich Norfolk NR13 5PX
Independent auditors	Larking Gowen LLP 1 Claydon Business Park Great Blakenham Ipswich IP6 0NL

BRUNDALL INVESTMENTS LTD

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BRUNDALL INVESTMENTS LTD

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

Introduction

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

Business review

Gross profit has fallen from £1,456,693 in 2016 to £1,236,608 in 2017. Loss before tax has also increased from £756,475 to £2,626,022 in 2017, accordingly net liabilities have increased to £7,806,495 in 2017.

The directors have stated that they are disappointed with the results disclosed. As a result of the continued disappointing performance in 2017 the directors have made the decision to suspend the production of boats and focus on other areas of the business with more profit potential. On 19th December 2017 the directors also made the decision to close Broom Brokerage.

The boating holidays market has contributed to growth within the Broads National Park and this has resulted in strong booking levels and revenue growth.

Principal risks and uncertainties

The directors consider the principal risk for the business to be the operational difficulties associated with suspending boat building activities whilst meeting demands of ongoing commitments. The directors consider that the honest and transparent approach taken in explaining the situation to staff, along with the continued need for skilled labour in the marine services business, should enable them to retain the necessary personnel to fulfil the outstanding contracts.

The directors are mindful of the general economic risk to the marine services, mooring and holiday business as many peoples disposable income continues to stagnate or decline. The directors feel that continuing to offer quality service and good value will ensure customers continue to be attracted and retained.

The directors consider that there is a small risk presented to the holiday business by leaving the EU as foreign tourist numbers may decline however, it is felt that the number of holidaymakers choosing to vacation domestically rather than travelling abroad should provide a balance.

The Company, through suspending boat building activities, considers any exposure to foreign exchange risk to be negligible.

Financial key performance indicators

The directors believe that the 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 (all of which are outlined above).

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


.....
M R Scott
Director

Date: 01.08.18

BRUNDALL INVESTMENTS LTD

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the period ended 31 December 2017.

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 period, after taxation, amounted to £2,626,022 (2016 - loss £670,440).

The Accounting Period has been extended to 31 December 2017 to bring it in line with the year end of the ultimate parent company.

Directors

The directors who served during the period were:

M R Scott
R J Scott

Research and development activities

Development activities are based on the design and development of new boating models.

BRUNDALL INVESTMENTS LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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.

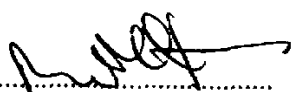
Post balance sheet events

On 21 March 2018, the directors announced plans to restructure the groups operations and discontinue boat building and focus on other areas of the business with more profit potential.

On 8 May 2018, the group sold the shares of one of its' subsidiaries Engraphics Limited.

After the year end, the company sold land options for £2.25 million.

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


.....
M R Scott
Director

Date: 01.05.18

BRUNDALL INVESTMENTS LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRUNDALL INVESTMENTS LTD

Opinion

We have audited the financial statements of Brundall Investments Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 31 December 2017, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2017 and of the Group's loss for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 £7,806,495 for the period ended 31 December 2017 with a net loss of £2,626,022. The parent Company balance sheet includes amounts recoverable from subsidiaries of £9,126,790. The need of support from the ultimate parent company 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 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, indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

BRUNDALL INVESTMENTS LTD

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

BRUNDALL INVESTMENTS LTD

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

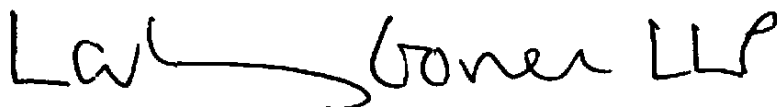
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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.



Ian Fitch FCA (Senior Statutory Auditor)

for and on behalf of
Larking Gowen LLP

1 Claydon Business Park
Great Blakenham
Ipswich
IP6 0NL

Date:

3 August 2018

BRUNDALL INVESTMENTS LTD

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Turnover		5,261,973	3,779,856
Cost of sales		(4,025,365)	(2,323,163)
Gross profit		1,236,608	1,456,693
Distribution costs		(116,043)	(56,352)
Administrative expenses		(2,537,282)	(2,403,066)
Exceptional administrative expenses		(995,024)	(123,985)
Other operating income		49,750	54,865
Operating loss	6	(2,361,991)	(1,071,845)
Interest receivable and similar income	9	14	791,418
Interest payable and expenses	10	(264,045)	(476,048)
Loss before tax		(2,626,022)	(756,475)
Tax on loss		-	45,841
Loss for the financial period		(2,626,022)	(710,634)
Profit for the year attributable to:			
Non-controlling interest		-	(40,195)
Owners of the parent company		(2,626,022)	(670,439)
		(2,626,022)	(710,634)

There were no recognised gains and losses for 2017 or 2016 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2017 (2016: £NIL).

BRUNDALL INVESTMENTS LTD
REGISTERED NUMBER: 08335186

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	31 December 2017 £	30 November 2016 £
Fixed assets			
Intangible assets	14	83,894	95,713
Tangible assets	15	5,122,087	5,245,612
		5,205,981	5,341,325
Current assets			
Stocks	17	650,334	1,862,467
Debtors: amounts falling due within one year	18	816,005	601,029
Cash at bank and in hand	19	384,692	189,208
		1,851,031	2,652,704
Creditors: amounts falling due within one year		(8,413,812)	(12,696,066)
Net current liabilities		(6,562,781)	(10,043,362)
Total assets less current liabilities		(1,356,800)	(4,702,037)
Creditors: amounts falling due after more than one year	20	(6,449,695)	(459,102)
Provisions for liabilities			
Other provisions		-	(19,334)
		-	(19,334)
Net liabilities	23	(7,806,495)	(5,180,473)

BRUNDALL INVESTMENTS LTD
REGISTERED NUMBER: 08335186

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2017

		31 December 2017 £	30 November 2016 £
Capital and reserves	Note		
Called up share capital	24	100	100
Profit and loss account	25	(7,806,595)	(5,180,573)
		<u>(7,806,495)</u>	<u>(5,180,473)</u>

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


.....
M R Scott
Director

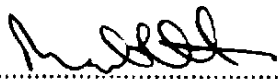
Date: 01.08.18
The notes on pages 15 to 41 form part of these financial statements.

BRUNDALL INVESTMENTS LTD
REGISTERED NUMBER: 08335186

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	31 December 2017 £	30 November 2016 £
Fixed assets			
Intangible assets	14	78,344	68,344
Investments	16	107,868	107,868
		<u>186,212</u>	<u>176,212</u>
Current assets			
Debtors: amounts falling due within one year	18	9,129,540	8,303,423
Cash at bank and in hand	19	30	53
		<u>9,129,570</u>	<u>8,303,476</u>
Creditors: amounts falling due within one year	20	(5,152,299)	(9,528,027)
Net current assets/(liabilities)		<u>3,977,271</u>	<u>(1,224,551)</u>
Total assets less current liabilities		<u>4,163,483</u>	<u>(1,048,339)</u>
Creditors: amounts falling due after more than one year	21	(6,192,904)	-
Net liabilities		<u>(2,029,421)</u>	<u>(1,048,339)</u>
Capital and reserves			
Called up share capital	24	100	100
Profit and loss account	25	(2,029,521)	(1,048,439)
		<u>(2,029,421)</u>	<u>(1,048,339)</u>

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


M R Scott
 Director

Date: 01.08.18

BRUNDALL INVESTMENTS LTD

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	Share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 December 2015	100	(4,207,904)	(4,207,804)	(215,785)	(4,423,589)
Comprehensive income for the year					
Loss for the year	-	(670,439)	(670,439)	(40,195)	(710,634)
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 1 December 2016	100	(5,180,573)	(5,180,473)	-	5,180,473)
Comprehensive income for the period					
Loss for the period	-	(2,626,022)	(2,626,022)	-	2,626,022)
Total comprehensive income for the period	-	(2,626,022)	(2,626,022)	-	2,626,022)
Transfer to/from profit and loss account	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
At 31 December 2017	100	(7,806,595)	(7,806,495)	-	7,806,495)

BRUNDALL INVESTMENTS LTD

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	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
Total comprehensive income for the year	-	101,576	101,576
At 1 December 2016	100	(1,048,439)	(1,048,339)
Comprehensive income for the year			
Loss for the period	-	(981,082)	(981,082)
Total comprehensive income for the period	-	(981,082)	(981,082)
At 31 December 2017	100	(2,029,521)	(2,029,421)

BRUNDALL INVESTMENTS LTD

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	31 December 2017 £	30 November 2016 £
Cash flows from operating activities		
Loss for the financial period	(2,626,022)	(710,634)
Adjustments for:		
Amortisation of intangible assets	(156,400)	(94,530)
Depreciation of tangible assets	250,209	231,348
Impairments of tangible and intangible fixed assets	202,974	123,985
Loss on disposal of tangible assets	5,039	29,143
Interest paid	264,045	(315,323)
Interest received	(14)	(47)
Taxation charge	-	(45,841)
Decrease/(increase) in stocks	1,212,133	(484,774)
(Increase)/decrease in debtors	(214,977)	873,967
(Decrease)/increase in creditors	(4,169,542)	1,366,395
Increase in amounts owed to groups	6,992,904	-
(Decrease)/increase in provisions	(19,334)	19,334
Corporation tax received	-	808
Investment additions	-	(46,250)
Net cash generated from operating activities	1,741,015	947,581
Cash flows from investing activities		
Purchase of intangible fixed assets	(24,774)	(43,870)
Purchase of tangible fixed assets	(195,763)	(896,804)
Sale of tangible fixed assets	54,058	-
Interest received	14	47
Net cash from investing activities	(166,465)	(940,627)
Cash flows from financing activities		
New secured loans	-	239,000
Repayment of loans	(875,990)	(217,240)
Interest paid	(264,045)	315,323
Net cash used in financing activities	(1,140,035)	337,083

BRUNDALL INVESTMENTS LTD

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	31 December 2017 £	30 November 2016 £
Net increase in cash and cash equivalents	434,515	344,037
Cash and cash equivalents at beginning of period	(197,400)	(541,437)
Cash and cash equivalents at the end of period	237,115	(197,400)
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	384,692	189,208
Bank overdrafts	(147,577)	(386,608)
	237,115	(197,400)

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 PERIOD ENDED 31 DECEMBER 2017

1. General information

Brundall Investments Limited is a Limited Company incorporated in the England and Wales. The registered office is Broom Boats Marina, Riverside, Brundall, Norwich, NR13 5PX. The Group's 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.

The financial statements are presented in Sterling and rounded to the nearest £.

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 Company's accounting policies (see note 3).

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 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 Statement of Financial Position, 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.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 December 2015.

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.3 Going concern

The group incurred a net loss of £2,626,022 during the period ended 31 December 2017 and at that date the group's net current liabilities were £6,562,781 and net liabilities were £7,806,495. The group meets its day to day working capital requirements through a combination of formal bank borrowings, loans from parent undertakings and the financial support of the directors. The bank facilities of £1,584,804 are secured over the assets of the group. Included in the bank facility is an overdraft of £400,000 which is due for renewal in January 2019. The company balance sheet includes amounts due from subsidiaries of £9,126,790. Based on the support from the directors in relation to these subsidiaries, the directors consider these amounts recoverable.

The directors have confirmed that their loans of £5,136,149 will not be withdrawn in the foreseeable future unless funds permit. The parent undertakings have confirmed that support will be made available as it is required by the group.

Based on financial projections and the continued availability of sufficient levels of finance from the bank, the directors and group companies, the directors consider it appropriate to prepare the financial statements on the going concern basis.

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.

2.4 Revenue

Revenue 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.

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 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. This is normally at the start of the holiday.

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

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, considered to be 4 years.

Negative goodwill arising on acquisition is capitalised over 5 years. This represents the period when the 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.

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

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

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
Hire fleet	- 5% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

Moulds included within plant and machinery, are written off over their useful economic lives. The useful economic lives are assessed annually by the directors.

Land and buildings are stated at deemed cost at the transition date to FRS 102.

2.7 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting 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 reporting 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 Statement of comprehensive income.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

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 reporting 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.13 Financial instruments

The Group only enters into basic financial instrument 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 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 the 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.

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

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 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

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.

BRUNDALL INVESTMENTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

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 Statement of Financial Position. 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.

2.19 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

2.20 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.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.21 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 reporting 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 Statement of Financial Position 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 reporting date.

2.22 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.

2.23 Research and development

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 on a straight line basis over the anticipated life of the benefits arising from the completed product or project. An amortisation rate of 5% per use has been applied.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Statement of comprehensive income.

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

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. The stock provision at 31 December 2017 was £125,921.

- 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 2% per use has been applied. An impairment review has been carried out this year resulting in a charge of £192,993.

- Useful economic life of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 and 2.6.

BRUNDALL INVESTMENTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

4. Turnover

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

	2017 £	2016 £
Goods	2,812,731	1,517,191
Services	2,051,047	2,140,254
Hire	398,195	122,411
	5,261,973	3,779,856

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	4,516,540	3,179,536
Rest of Europe	745,433	600,320
	5,261,973	3,779,856

5. Other operating income

	2017 £	2016 £
Net rents receivable	49,750	54,865
	49,750	54,865

BRUNDALL INVESTMENTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

6. Operating loss

The operating loss is stated after charging:

	2017 £	2016 £
Research & development charged as an expense	601	10,120
Depreciation of tangible fixed assets	250,210	231,348
Impairment of tangible fixed assets	9,981	118,790
Amortisation of intangible assets, including goodwill	(156,400)	(94,530)
Impairment of intangible assets	99,710	5,195
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	5,000	3,000
- The audit of the Group's subsidiaries pursuant to legislation	10,000	18,050
	<u> </u>	<u> </u>

7. Employees

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

	Group 31 December 2017 £	Group 30 November 2016 £	Company 31 December 2017 £	Company 30 November 2016 £
Wages and salaries	2,026,704	2,391,473	-	-
Social security costs	190,169	34,982	-	-
Cost of defined contribution scheme	19,421	2,853	-	-
	<u>2,236,294</u>	<u>2,429,308</u>	<u>-</u>	<u>-</u>

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

	2017 No.	2016 No.
Boat building and repairing	56	72
Selling, Distribution and Administration	22	29
	<u>78</u>	<u>101</u>

8. Directors' remuneration

During the period retirement benefits were accruing to no directors (2016 - NIL) in respect of defined contribution pension schemes.

BRUNDALL INVESTMENTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

9. Interest receivable

	2017	2016
	£	£
Other interest receivable	14	791,418
	14	791,418

10. Interest payable and similar charges

	2017	2016
	£	£
Bank interest payable	98,811	100,901
Other loan interest payable	16,613	375,147
Loans from group undertakings	148,621	-
	264,045	476,048

11. Taxation

	2017	2016
	£	£
Corporation tax		
Current tax on profits for the year	-	(21,699)
Adjustments in respect of previous periods	-	(24,142)
	-	(45,841)
Total current tax	-	(45,841)
Deferred tax		
Total deferred tax	-	-
Taxation on profit/(loss) on ordinary activities	-	(45,841)

BRUNDALL INVESTMENTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

11. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period is higher than (2016 - *higher than*) the standard rate of corporation tax in the UK of 19.31% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	<u>(2,626,022)</u>	<u>(756,475)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.31% (2016 - 20%)	(507,085)	(160,545)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	(20,279)	(22,267)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	175,009	40,419
Capital allowances for period/year in excess of depreciation	881	(34,743)
Higher rate taxes on overseas earnings	-	(24,142)
Other timing differences leading to an increase (decrease) in taxation	88	130,372
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	5,431	(180)
Unrelieved tax losses carried forward	27,783	46,944
R & D tax credit	12,643	-
Group relief	305,529	-
Total tax charge for the period/year	<u>-</u>	<u>(45,841)</u>

Factors that may affect future tax charges

At 31 December 2017, the Company has tax losses of £7,208,572 (2016 - £7,140,573) available for offset against future taxable profits. A further deferred tax asset of £1,213,897 (2016 - £1,213,897) has not been recognised in the financial statements.

Changes to 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 should have been measured using these enacted rates and reflected in these financial statements.

BRUNDALL INVESTMENTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

12. Exceptional items

	2017	2016
	£	£
Impairment of development costs and tangible fixed assets	195,024	123,985
Provision against intercompany balances	800,000	-
	995,024	123,985

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

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 loss after tax of the parent Company for the period/year was £981,082 (2016 - profit £101,576).

BRUNDALL INVESTMENTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

14. Intangible assets

Group

	Land options £	Development costs £	Trademarks £	Goodwill £	Negative goodwill £	Total £
Cost						
At 1 December 2016	68,344	685,319	5,550	44,000	(855,037)	(51,824)
Additions	10,000	14,774	-	-	-	24,774
At 31 December 2017	78,344	700,093	5,550	44,000	(855,037)	(27,050)
Amortisation						
At 1 December 2016	-	500,495	-	36,000	(684,032)	(147,537)
Charge for the year	-	6,605	-	8,000	(171,005)	(156,400)
Impairment charge	-	192,993	-	-	-	192,993
At 31 December 2017	-	700,093	-	44,000	(855,037)	(110,944)
Net book value						
At 31 December 2017	78,344	-	5,550	-	-	83,894
At 30 November 2016	68,344	184,824	5,550	8,000	(171,005)	95,713

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

14. Intangible assets (continued)

Company

	Land options £
Cost	
At 1 December 2016	68,344
Additions	10,000
At 31 December 2017	<u>78,344</u>
Net book value	
At 31 December 2017	<u>78,344</u>
At 30 November 2016	<u>68,344</u>

BRUNDALL INVESTMENTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

15. Tangible fixed assets

Group

	Freehold property £	Short-term leasehold property £	Plant, machinery, fixtures and fittings £	Motor vehicles £	Hire fleet & equipment £	Total £
Cost or valuation						
At 1 December 2016	2,988,787	16,764	122,364	104,846	2,661,882	5,894,643
Additions	8,700	-	137,956	10,500	38,607	195,763
Disposals	-	-	(56,881)	-	(60,442)	(117,323)
Transfers between classes	(33,787)	-	33,787	-	-	-
At 31 December 2017	2,963,700	16,764	237,226	115,346	2,640,047	5,973,083
Depreciation						
At 1 December 2016	60,000	5,939	336,609	43,839	202,644	649,031
Charge for the period on owned assets	16,768	2,932	124,120	4,323	102,067	250,210
Disposals	-	-	(53,852)	-	(4,374)	(58,226)
Impairment charge	-	-	9,981	-	-	9,981
At 31 December 2017	76,768	8,871	416,858	48,162	300,337	850,996
Net book value						
At 31 December 2017	2,886,932	7,893	(179,632)	67,184	2,339,710	5,122,087
At 30 November 2016	2,928,787	10,825	(214,245)	61,007	2,459,238	5,245,612

Included in freehold property is freehold land and moorings at valuation of £2,250,000 (original costs £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.

BRUNDALL INVESTMENTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

15. Tangible fixed assets (continued)

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

	31 December 2017 £	30 November 2016 £
Freehold	2,886,932	2,928,787
Short leasehold	7,893	10,827
	<u>2,894,825</u>	<u>2,939,614</u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	31 December 2017 £	30 November 2016 £
Group		
Cost	1,493,579	1,518,666
Accumulated depreciation	(337,111)	(306,989)
Net book value	<u>1,156,468</u>	<u>1,211,677</u>

BRUNDALL INVESTMENTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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 Manufacturer of graphics
Engraphics Limited	Ordinary	100 %	and signs

Broom Boat Sales Limited (registered number 08151556), Broom Boating Holidays Limited (registered number 08117295), Broom Marine Group Limited (registered number 071833115) and Engraphics Limited (registered number 05655115) are exempt from the requirement to prepare audited individual accounts per Section 479A of the Companies Act 2006.

BRUNDALL INVESTMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

16. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 December 2016	1,111,251
At 31 December 2017	1,111,251
Impairment	
At 1 December 2016	1,003,383
At 31 December 2017	1,003,383
Net book value	
At 31 December 2017	107,868
At 30 November 2016	107,868

BRUNDALL INVESTMENTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

17. Stocks

	Group 31 December 2017 £	<i>Group 30 November 2016 £</i>	Company 31 December 2017 £	<i>Company 30 November 2016 £</i>
Raw materials and consumables	255,487	326,162	-	-
Work in progress	71,934	364,613	-	-
Finished goods and goods for resale	322,913	1,171,692	-	-
	650,334	1,862,467	-	-

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the period as an expense was £3,980,548 (2016 - £1,922,649).

An impairment loss of £125,921 (2016 - £150,000) was recognised in cost of sales against stock during the period due to slow-moving and obsolete stock.

18. Debtors

	Group 31 December 2017 £	<i>Group 30 November 2016 £</i>	Company 31 December 2017 £	<i>Company 30 November 2016 £</i>
Trade debtors	253,499	389,410	-	-
Amounts owed by group undertakings	-	-	9,126,790	8,301,923
Other debtors	551,708	87,698	2,750	1,500
Called up share capital not paid	-	1	-	-
Prepayments and accrued income	10,784	5,439	-	-
Amounts recoverable on long term contracts	14	38,353	-	-
Tax recoverable	-	80,128	-	-
	816,005	601,029	9,129,540	8,303,423

BRUNDALL INVESTMENTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

19. Cash and cash equivalents

	Group 31 December 2017 £	<i>Group 30 November 2016 £</i>	Company 31 December 2017 £	<i>Company 30 November 2016 £</i>
Cash at bank and in hand	384,692	<i>189,208</i>	30	<i>53</i>
Less: bank overdrafts	(147,577)	<i>(386,608)</i>	-	<i>-</i>
	237,115	<i>(197,400)</i>	30	<i>53</i>

20. Creditors: Amounts falling due within one year

	Group 31 December 2017 £	<i>Group 30 November 2016 £</i>	Company 31 December 2017 £	<i>Company 30 November 2016 £</i>
Bank overdrafts	147,577	<i>386,608</i>	-	<i>-</i>
Bank loans	1,180,436	<i>1,854,115</i>	-	<i>-</i>
Payments received on account	360,000	<i>197,505</i>	-	<i>-</i>
Trade creditors	322,340	<i>299,478</i>	12,900	<i>-</i>
Amounts owed to group undertakings	800,000	<i>-</i>	-	<i>-</i>
Other taxation and social security	147,877	<i>122,882</i>	-	<i>-</i>
Other creditors	5,222,974	<i>9,628,406</i>	5,136,149	<i>9,525,027</i>
Accruals and deferred income	232,608	<i>207,072</i>	3,250	<i>3,000</i>
	8,413,812	<i>12,696,066</i>	5,152,299	<i>9,528,027</i>

Some of the Group's bank loan agreements are subject to covenant clauses, whereby the Group is required to meet certain key financial ratios. The Group did not fulfill the profit before interest and tax / interest charge ratio as required. Due to this breach of the covenant clause, the bank is contractually entitled to request for immediate repayment of the outstanding loan of £997,698. The outstanding balances is present as a current liability as at 31 December 2017.

The bank has not requested early repayment of the loan as of the date these financial statements were approved by the Board of Directors.

BRUNDALL INVESTMENTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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

	Group 31 December 2017 £	<i>Group</i> <i>30</i> <i>November</i> <i>2016</i> <i>£</i>	Company 31 December 2017 £	<i>Company</i> <i>30</i> <i>November</i> <i>2016</i> <i>£</i>
Bank loans	256,791	459,102	-	-
Amounts owed to group undertakings	6,192,904	-	6,192,904	-
	<u>6,449,695</u>	<u>459,102</u>	<u>6,192,904</u>	<u>-</u>

BRUNDALL INVESTMENTS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

Loans

	Group 31 December 2017 £	<i>Group 30 November 2016 £</i>	Company 31 December 2017 £	<i>Company 30 November 2016 £</i>
Amounts falling due within one year				
Bank loans	1,180,436	<i>1,854,115</i>	-	-
	1,180,436	<i>1,854,115</i>	-	-
Amounts falling due 1-2 years				
Bank loans	135,217	<i>182,738</i>	-	-
	135,217	<i>182,738</i>	-	-
Amounts falling due 2-5 years				
Bank loans	121,574	<i>276,364</i>	-	-
	121,574	<i>276,364</i>	-	-
	1,437,227	<i>2,313,217</i>	-	-

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 PERIOD ENDED 31 DECEMBER 2017**

22. Financial instruments

	Group 31 December 2017 £	<i>Group 30 November 2016 £</i>	Company 31 December 2017 £	<i>Company 30 November 2016 £</i>
Financial assets				
Financial assets that are debt instruments measured at amortised cost	805,207	<i>595,590</i>	9,929,540	<i>8,303,423</i>
	<u>805,207</u>	<u><i>595,590</i></u>	<u>9,929,540</u>	<u><i>8,303,423</i></u>
Financial liabilities				
Financial liabilities measured at amortised cost	(13,564,835)	<i>(12,834,783)</i>	(11,354,408)	<i>(9,528,027)</i>
	<u>(13,564,835)</u>	<u><i>(12,834,783)</i></u>	<u>(11,354,408)</u>	<u><i>(9,528,027)</i></u>

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

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

23. Provisions

Group

	Legal provision £
At 1 December 2016	19,334
Charged to profit or loss	(19,334)
At 31 December 2017	<u><u>-</u></u>

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

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24. Share capital

	31 December 2017 £	<i>30 November 2016 £</i>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	<i>100</i>

25. Reserves

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

26. Pension commitments

The Group operates a defined contribution scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension charge for the period was £19,421 (2016: £2,853). £2,771 contributions (2016: £3,366) were payable to the fund at the balance sheet date.

27. Commitments under operating leases

At 31 December 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 31 December 2017 £	<i>Group 30 November 2016 £</i>
Not later than 1 year	19,437	<i>10,443</i>
Later than 1 year and not later than 5 years	61,508	<i>13,297</i>
	80,945	<i>23,740</i>

28. Related party transactions

The group operates a loan account with M Scott, a director, no interest is charged on the loan. The amount due to M Scott at the period end was £5,140,036 (2016 - £9,525,027).

Remuneration paid to key management personnel in 2017 totalled £102,662 (2016 - £67,530).

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

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29. Post balance sheet events

On 21 March 2018, the directors announced plans to restructure the groups operations and discontinue boat building.

On 8 May 2018, the group sold the shares of one of its' subsidiaries Engraphics Limited.

After the year end, the company sold land options for £2.25 million.

30. Controlling party

During the year M Scott Property Group Limited, which is incorporated and registered in England and Wales, took control of the group. M Scott has maintained the control of the Group.