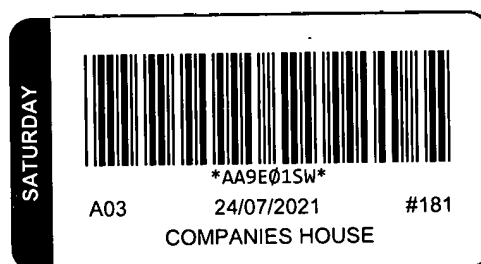


Company Registration No. 08044729 (England and Wales)

BRENIG CONSTRUCTION LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020
PAGES FOR FILING WITH REGISTRAR



BRENIG CONSTRUCTION LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	4		156,363		99,157
Current assets					
Stocks	5	638,446		959,323	
Debtors	6	4,609,463		3,530,863	
Cash at bank and in hand		128,786		109,727	
		5,376,695		4,599,913	
Creditors: amounts falling due within one year	7	(4,196,702)		(3,835,049)	
Net current assets			1,179,993		764,864
Total assets less current liabilities			1,336,356		864,021
Creditors: amounts falling due after more than one year	8		(662,100)		(229,723)
Provisions for liabilities	9		(16,492)		(16,776)
Net assets			657,764		617,522
Capital and reserves					
Called up share capital	10		78		78
Share premium account			69,890		69,890
Capital redemption reserve			32		32
Profit and loss reserves			587,764		547,522
Total equity			657,764		617,522

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 October 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

BRENIG CONSTRUCTION LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 OCTOBER 2020

The financial statements were approved by the board of directors and authorised for issue on 16 July 2021 and are signed on its behalf by:

A handwritten signature in black ink, appearing to be 'M Parry', written over a horizontal line.

M Parry
Director

Company Registration No. 08044729

BRENIG CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

Company information

Brenig Construction Limited is a private company limited by shares incorporated in England and Wales. The registered office is Brenig House, Cartrefi Conwy Business Park, Station Road, Mochdre, Colwyn Bay, Wales, LL28 5EF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, the principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

In forming this conclusion, the directors have fully considered the impact of COVID-19 on the company, its trading operations, and its ability to continue to meet its obligations as they fall due.

1.3 Turnover

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing sales raised to date against total anticipated contract sales. This percentage is applied to budgeted total costs for developments to ensure appropriate costs are matched with invoiced sales.

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty.

The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses.

BRENIG CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	15% reducing balance
Computers	25% straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Stocks

Stocks are valued at the lower of cost and estimated net realisable value. Net realisable value is based on estimated selling price less additional costs to complete and disposal.

Developed land and work in progress are valued at the lower of cost, which includes materials and relevant overheads, and estimated residual value.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

BRENIG CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

BRENIG CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

(Continued)

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Leases are classified as hire purchase contracts whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under hire purchase contracts are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	65	50

BRENIG CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

3 Dividends

	2020 £	2019 £
Final paid	126,115	107,809

4 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost				
At 1 November 2019	6,273	43,043	146,261	195,577
Additions	-	89,205	19,700	108,905
Disposals	-	-	(20,600)	(20,600)
At 31 October 2020	6,273	132,248	145,361	283,882
Depreciation and impairment				
At 1 November 2019	2,091	23,071	71,258	96,420
Depreciation charged in the year	566	26,533	21,526	48,625
Eliminated in respect of disposals	-	-	(17,526)	(17,526)
At 31 October 2020	2,657	49,604	75,258	127,519
Carrying amount				
At 31 October 2020	3,616	82,644	70,103	156,363
At 31 October 2019	4,182	19,972	75,003	99,157

5 Stocks

	2020 £	2019 £
Work in progress	513,446	734,323
Stocks	125,000	225,000
	638,446	959,323

BRENIG CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

6 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	1,096,609	813,400
Gross amounts owed by contract customers	1,844,333	1,093,341
Corporation tax recoverable	48,722	6,935
Amounts owed by related parties	523,985	213,302
Other debtors	126,830	324,756
Prepayments and accrued income	968,984	1,079,129
	<u>4,609,463</u>	<u>3,530,863</u>

7 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans	229,167	-
Net obligations under hire purchase contracts	25,874	24,986
Other borrowings	246,321	321,906
Payments received on account	955,712	860,943
Trade creditors	2,080,637	2,059,294
Amounts due to related parties	94,977	13,087
Taxation and social security	242,436	204,972
Other creditors	224,478	78,164
Accruals and deferred income	97,100	271,697
	<u>4,196,702</u>	<u>3,835,049</u>

Bank loans due within one year of £229,167 (2019: £nil) are secured by fixed and floating charge over the assets of the company.

Net obligations under hire purchase contracts are secured on the assets to which they relate.

8 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	520,833	-
Net obligations under hire purchase contracts	39,659	48,094
Other borrowings	101,608	181,629
	<u>662,100</u>	<u>229,723</u>

Bank loans due after more than one year of £520,833 (2019: £nil) are secured by fixed and floating charge over the assets of the company.

Net obligations under hire purchase contracts are secured on the assets to which they relate.

BRENIG CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

9 Provisions for liabilities

	2020 £	2019 £
Deferred tax liabilities	16,492	16,776

10 Called up share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	-	78	-	78
A Ordinary shares of £1 each	39	-	39	-
B Ordinary shares of £1 each	39	-	39	-
	<u>78</u>	<u>78</u>	<u>78</u>	<u>78</u>

On 22 January 2020, the existing 78 Ordinary shares designated were changed to 39 A Ordinary shares and 39 B Ordinary shares.

11 Related party transactions

The company has advanced funds to Brenig Homes Limited a company in which M Parry and H Vaughan have a controlling interest. At the balance sheet date amounts owed by Brenig Homes Limited due in less than one year were £4,552 (2019: 4,539) disclosed in amounts owed by related parties.

The company has advanced funds to Brenig Developments Limited a in which M Parry and H Vaughan have a controlling interest. At the balance sheet date amounts owed by Brenig Developments Limited due in less than one year were £100,603 (2019: £nil) disclosed in amounts owed by related parties.

The company has advanced funds to Calon Homes LLP a limited liability partnership in which M Parry and H Vaughan have a controlling interest. At the balance sheet date amounts owed by Calon Homes LLP due in less than one year were £36,303 (2019: £nil) disclosed in amounts owed by related parties.

The company has advanced funds to Hillcrest (Buckley) Limited a company in which M Parry and H Vaughan have a controlling interest. At the balance sheet date amounts owed by Hillcrest (Buckley) Limited due in less than one year were £4,000 (2019: £nil) disclosed in amounts owed by related parties.

During the year, the company received advances totalling £74,000 (2019: £nil) from Seel Plant Hire Limited a company in which M Parry and H Vaughan have a controlling interest. The company made repayments to Seel Plant Hire Limited during the year totalling £17,013. At the balance sheet date amounts owed to Seel Plant Hire Limited due in less than one year were £56,987 (2019: nil) disclosed in amounts due to related parties.

During the year, the company received advances totalling £37,990 (2019: £nil) from The Old Wheatsheaf Buildings Limited a company in which M Parry and H Vaughan have a controlling interest. At the balance sheet date amounts owed to The Old Wheatsheaf Buildings Limited due in less than one year were £37,990 (2019: nil) amounts due to related parties.

BRENIG CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

12 Directors' transactions

During the year the company made further advances to directors totalling £138,286 (2019: £130,240) of which £135,425 (£100,622) were repaid during the year. These amounts were unsecured and repayable on demand. Interest was charged at 2.5% on these amounts.

During the year a director made an advance to the company totalling £200,000 (2019: £nil). These amounts were unsecured and repayable by 24 October 2024. Interest was charged at 3% on these amounts.

The closing balance on the directors' current accounts are £32,479 (2019: £29,618) disclosed in other debtors and £205,858 (2019: £nil) disclosed in other creditors

During the year, dividends were paid to directors of £126,115 (2019: £107,808).