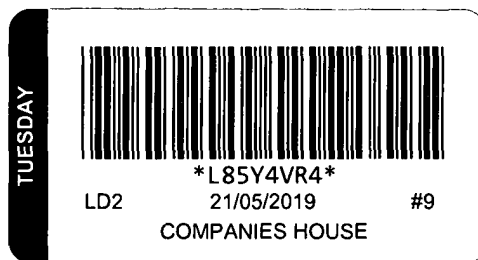


Company Registration No. 02263286 (England and Wales)

**BROGAN GROUP UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**



# **BROGAN GROUP UK LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	J Brogan G Williamson W K Smith
<b>Secretary</b>	G Williamson
<b>Company number</b>	02263286
<b>Registered office</b>	4 Falcon Gate Falcon Way Shire Park Welwyn Garden City AL7 1TW
<b>Auditor</b>	Goodman Jones LLP 29-30 Fitzroy Square London W1T 6LQ
<b>Business address</b>	4 Falcon Gate Falcon Way Shire Park Welwyn Garden City AL7 1TW

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# **BROGAN GROUP UK LIMITED**

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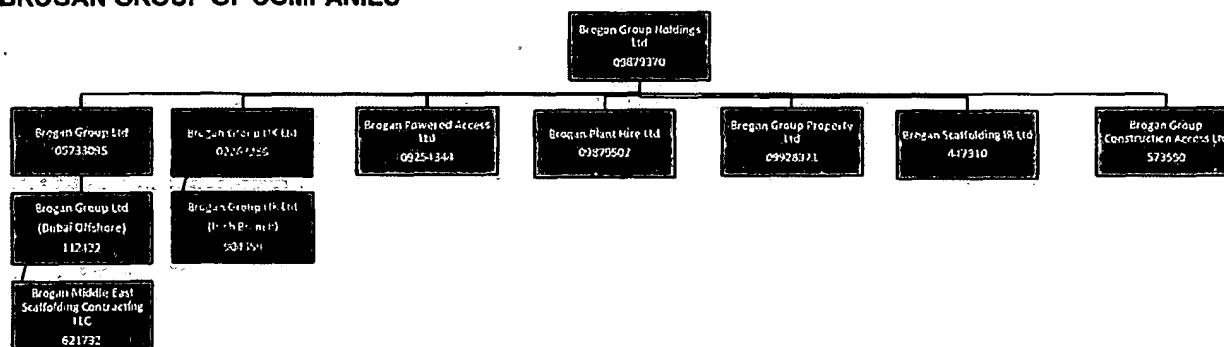
# BROGAN GROUP UK LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report and financial statements for the year ended 31 December 2018.

### BROGAN GROUP OF COMPANIES



Brogan Group UK Ltd is a subsidiary of Brogan Group Holdings Ltd for which consolidated financial statements for the parent company are filed separately.

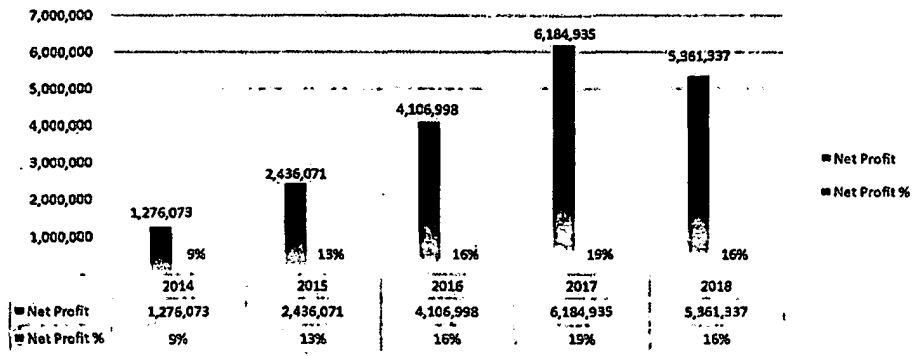
### PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017 as restated
<b>Turnover</b>	34,017,613	31,782,757
<b>Cost of sales</b>	(16,634,188)	(14,563,356)
<b>Gross Profit</b>	17,383,425	17,219,401
<b>Administrative expenses</b>	(11,245,167)	(9,633,412)
<b>Other payable and similar charges</b>	-	20,786
<b>Operating profit</b>	6,138,258	7,606,775
<b>Other interest receivable and similar income</b>	62	1,321
<b>Interest payable and similar charges</b>	(467,975)	(601,282)
<b>Profit on ordinary activities before taxation</b>	5,670,345	7,006,814
<b>Tax on profit on ordinary activities</b>	(309,008)	(821,879)
<b>Profit on ordinary activities after taxation</b>	5,361,337	6,184,935

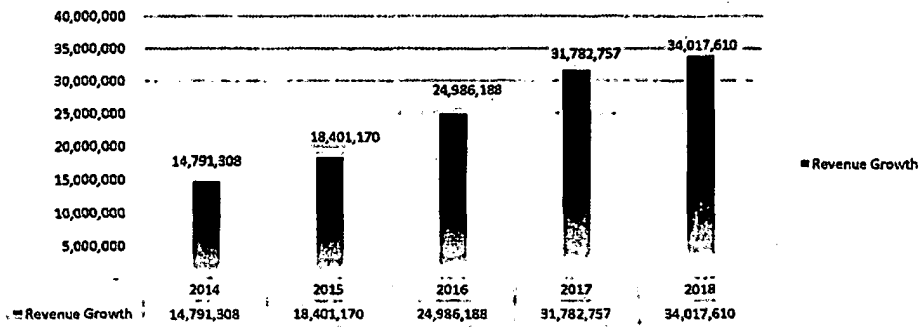
**BROGAN GROUP UK LIMITED**  
**STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

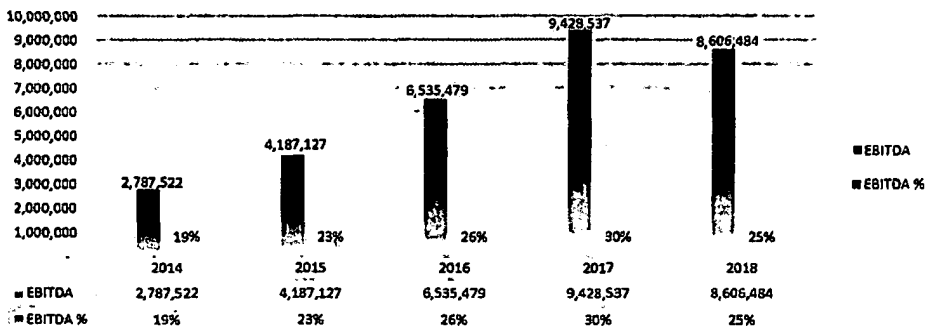
**NET PROFIT AND NET PROFIT MARGIN**



**REVENUE GROWTH**



**EBITDA AND EBITDA MARGIN**



On behalf of the board

J Brogan  
 Director

10...05..2019

# **BROGAN GROUP UK LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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The directors present their report and financial statements for the year ended 31 December 2018.

### **Principal activities**

The principal activity of the company continued to be that of access contractors.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J Brogan  
G Williamson  
W K Smith

### **Future developments**

The directors expect modest growth in turnover and profitability during the year.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **BROGAN GROUP UK LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

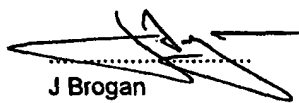
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### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



**J Brogan  
Director**

**10.05.2019**

# **BROGAN GROUP UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BROGAN GROUP UK LIMITED**

---

#### **Opinion**

We have audited the financial statements of Brogan Group UK Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, 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 FRS 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 company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

This statement is not a guarantee as to the company's ability to continue as a going concern because not all future events or conditions can be predicted. For example, the terms on which the United Kingdom may withdraw from the

#### **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 auditor's 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.

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.



# **BROGAN GROUP UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF BROGAN GROUP UK LIMITED**

---

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 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 company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's 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 auditor's 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.

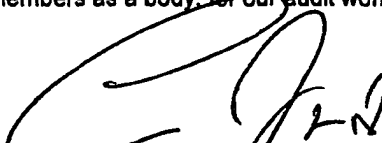
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**BROGAN GROUP UK LIMITED**  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF BROGAN GROUP UK LIMITED**

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**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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Graeme Bursack (Senior Statutory Auditor)**  
for and on behalf of Goodman Jones LLP

*13 May 2019*

**Chartered Accountants**  
**Statutory Auditor**

29-30 Fitzroy Square  
London  
W1T 6LQ

**BROGAN GROUP UK LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
<b>Turnover</b>		805,353	2,316,840
<b>Cost of sales:</b>			
Plant hire from group companies		(357,386)	(542,451)
Other cost of sales		(281,970)	(681,348)
<b>Gross profit</b>		165,997	1,093,041
Administrative expenses		(120,995)	(984,006)
Other operating income		-	170
<b>Operating profit</b>	2	45,002	109,205
Interest receivable and similar income		1	1,313
Interest payable and similar expenses		(31,708)	(34,502)
<b>Profit before taxation</b>		13,295	76,016
Taxation	4	(6,262)	-
<b>Profit for the financial year</b>		7,033	76,016
<b>Other comprehensive income</b>			
Currency translation differences		16,093	56,832
<b>Total comprehensive income for the year</b>		23,126	132,848

# BROGAN GROUP UK LIMITED

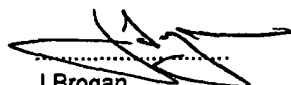
## BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	5		537,950		522,618
<b>Current assets</b>					
Debtors	6	9,852,816		6,422,479	
Cash at bank and in hand		513,668		730,732	
		<u>10,366,484</u>		<u>7,153,211</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(9,921,629)</u>		<u>(6,561,061)</u>	
<b>Net current assets</b>			<u>444,855</u>		<u>592,150</u>
<b>Total assets less current liabilities</b>			<u>982,805</u>		<u>1,114,768</u>
<b>Creditors: amounts falling due after more than one year</b>	8		(579,012)		(734,101)
<b>Net assets</b>			<u>403,793</u>		<u>380,667</u>
<b>Capital and reserves</b>					
Called up share capital	9		35,000		35,000
Profit and loss reserves			368,793		345,667
<b>Total equity</b>			<u>403,793</u>		<u>380,667</u>

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

The financial statements were approved by the board of directors and authorised for issue on 20.05.2019 and are signed on its behalf by:

  
.....  
J Brogan  
Director

Company Registration No. 02263286

**BROGAN GROUP UK LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 January 2017</b>	<u>35,000</u>	<u>212,819</u>	<u>247,819</u>
<b>Year ended 31 December 2017:</b>			
Profit for the year	-	76,016	76,016
Other comprehensive income:			
Currency translation differences	-	56,832	56,832
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>132,848</u>	<u>132,848</u>
<b>Balance at 31 December 2017</b>	<u>35,000</u>	<u>345,667</u>	<u>380,667</u>
<b>Year ended 31 December 2018:</b>			
Profit for the year	-	7,033	7,033
Other comprehensive income:			
Currency translation differences	-	16,093	16,093
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>23,126</u>	<u>23,126</u>
<b>Balance at 31 December 2018</b>	<u>35,000</u>	<u>368,793</u>	<u>403,793</u>

# **BROGAN GROUP UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **1 Accounting policies**

##### **Company Information**

Brogan Group UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is, 4 Falcon Gate, Falcon Way, Shire Park, Welwyn Garden City, England, AL7 1TW.

##### **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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption in FRS 102 from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

Brogan Group UK Limited is a wholly owned subsidiary of Brogan Group Holdings Ltd and the results of Brogan Group UK Limited are included in the consolidated financial statements of Brogan Group Holdings Ltd which are available from 4 Falcon Gate, Falcon Way, Shire Park, Welwyn Garden City, England, AL7 1TW.

##### **1.2 Going concern**

In determining the appropriate basis of preparation of the Financial Statements, the directors are required to consider whether the company can continue in operational existence for the foreseeable future.

The company's business activities, together with factors which the directors consider are likely to affect its future development, financial performance and financial position are set out in the Directors' Report.

Accordingly, 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.

##### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Profit is recognised on contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

##### **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.

# **BROGAN GROUP UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **1 Accounting policies**

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:

Land and buildings Freehold	Equally over the remaining life of the asset
-----------------------------	--

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 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **1.6 Cash and cash equivalents**

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. 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.

# BROGAN GROUP UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

---

#### 1 Accounting policies

##### ***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 unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### ***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### ***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.



# BROGAN GROUP UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

---

### 1 Accounting policies

#### **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 unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. 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.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **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.

# **BROGAN GROUP UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

### **1 Accounting policies**

#### ***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.

#### **1.10 Retirement benefits**

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

#### **1.11 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

#### **1.12 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

#### **1.13 Share-based payment transactions**

The group has issued share options to certain directors and employees. These must be measured at fair value and recognised as an expense in the profit and loss account with a corresponding increase in equity. The fair value of the options was estimated at the date of grant using the Black-Scholes option-pricing model. The fair value will be charged as an expense in the profit and loss account over the vesting period. The charge is adjusted each year to reflect the expected and actual level of vesting.

Once share options have expired, the related reserve balance is transferred from Other Reserves to the Profit and Loss Account Reserve. Full detailed disclosure on the share options is included in the parent company consolidated accounts.

#### **1.14 Financial risk**

The company uses financial instruments comprising borrowings and various net working capital items such as trade debtors and trade creditors, to finance its operations not funded by way of equity. The main risks identified with using these financial instruments are the management of cash flow and exposure to interest rate fluctuations.

The company meets its day to day working capital requirements through cash balances and bank facilities which are renewed regularly. The company's forecasts and projections, taking account of possible changes in trading performance, show that the company will be able to operate within the level of its current cash balances. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

# BROGAN GROUP UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 2 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	12,800	12,800

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2017 - 3).

### 4 Taxation

	2018	2017
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	6,262	-

### 5 Tangible fixed assets

	Land and buildings
	£
<b>Cost</b>	
At 1 January 2018	594,488
Additions	35,283
Exchange adjustments	5,713
At 31 December 2018	635,484
<b>Depreciation and impairment</b>	
At 1 January 2018	71,870
Depreciation charged in the year	25,664
At 31 December 2018	97,534
<b>Carrying amount</b>	
At 31 December 2018	537,950
At 31 December 2017	522,618

# BROGAN GROUP UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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<b>6 Debtors</b>	<b>2018</b>	<b>2017</b>
<b>Amounts falling due within one year:</b>	<b>£</b>	<b>£</b>
Trade debtors	50,223	68,715
Gross amounts owed by contract customers	165,000	330,272
Corporation tax recoverable	58,717	58,717
Amounts owed by group undertakings	9,420,341	5,931,719
Other debtors	158,535	33,056
	<u>9,852,816</u>	<u>6,422,479</u>

<b>7 Creditors: amounts falling due within one year</b>	<b>2018</b>	<b>2017</b>
Mortgage	33,802	50,192
Bank loans and overdrafts	139,315	133,866
Trade creditors	158,438	147,532
Amounts due to group undertakings	9,459,680	6,092,561
Corporation tax	6,262	-
Other creditors	124,132	136,910
	<u>9,921,629</u>	<u>6,561,061</u>

<b>8 Creditors: amounts falling due after more than one year</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Mortgage	269,788	286,915
Bank loans and overdrafts	309,224	447,186
	<u>579,012</u>	<u>734,101</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>120,498</u>	<u>77,252</u>
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There is one mortgage in force. It is repayable in 8 years at a current interest rate of 3.94% (2017: 1.735%). The mortgage is secured on the freehold property of the company.

The bank loan is repayable within a term of 5 years at a current interest rate of 4.25% (2017: 3.75%). The bank loan is guaranteed by Brogan Group Holdings Limited.

# BROGAN GROUP UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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<b>9</b>	<b>Called up share capital</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	<b>Ordinary share capital Issued and fully paid</b>		
	3,500,000 Ordinary Shares of 1p each	<u>35,000</u>	<u>35,000</u>

### 10 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Within one year	3,414	3,971
Between two and five years	<u>1,707</u>	<u>5,121</u>
	<u>5,121</u>	<u>9,092</u>

### 11 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 102 not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

### 12 Parent company

The company is a wholly owned subsidiary of Brogan Group Holdings Limited, a company incorporated in England and Wales.

The company is controlled by the Director, J Brogan.

**BROGAN GROUP UK LIMITED**  
**MANAGEMENT INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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# BROGAN GROUP UK LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

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		2018		2017
	£	£	£	£
<b>Turnover</b>				
Sales		805,353		2,316,840
<b>Cost of sales</b>				
Raw materials purchases	762		79,966	
Other site costs	2,923		4,562	
Transport costs	5,209		11,344	
Wages and salaries	243,350		420,545	
Social security costs	24,122		50,686	
Subcontract labour	5,604		114,245	
Hire of equipment	357,386		542,451	
		<u>(639,356)</u>		<u>(1,223,799)</u>
<b>Gross profit</b>	20.61%	165,997	47.18%	1,093,041
<b>Other operating income</b>				
Sundry income		-		170
Administrative expenses		<u>(120,995)</u>		<u>(984,006)</u>
<b>Operating profit</b>		45,002		109,205
<b>Investment revenues</b>				
Bank interest received	1		1,313	
		1		1,313
<b>Interest payable and similar expenses</b>				
Bank interest on loans and overdrafts	31,708		29,420	
Interest payable	-		5,082	
		<u>(31,708)</u>		<u>(34,502)</u>
<b>Profit before taxation</b>	1.65%	<u>13,295</u>	3.28%	<u>76,016</u>

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# BROGAN GROUP UK LIMITED

## SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 DECEMBER 2018

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	2018	2017
	£	£
<b>Administrative expenses</b>		
Wages and salaries	2,385	384,067
Social security costs	231	43,894
Other staff costs	-	7,307
Staff training	2,818	16,500
Staff pension costs defined contribution	-	1,291
Redundancy costs - staff	-	1,335
Directors' remuneration	-	82,513
Rent re operating leases	12,183	28,648
Rates	3,879	10,037
Security costs	2,908	7,926
Protective clothing and laundry	2,454	-
Power, light and heat	1,404	5,021
Property repairs and maintenance	3,856	102,447
Premises insurance	(1,203)	83,429
Computer running costs	2,674	10,131
Motor running expenses	20,923	77,585
Travelling expenses	6,679	22,106
Professional subscriptions	1,907	4,673
Legal and professional fees	4,846	10,043
Audit fees	12,800	12,800
Charitable donations	579	1,967
Bank charges	6,739	2,633
Credit card charges	-	131
Bad and doubtful debts	(3,475)	-
Printing and stationery	2,141	5,114
Advertising	1,440	2,343
Telecommunications	5,103	10,311
Entertaining	-	7,653
Sundry expenses	2,530	4,715
Depreciation	25,664	25,755
Profit or loss on foreign exchange	(470)	11,631
	<u>120,995</u>	<u>984,006</u>

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