

**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 30 June 2018
for
T H Brickell & Son Limited**



**Contents of the Consolidated Financial Statements
for the Year Ended 30 June 2018**

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T H Brickell & Son Limited
Company Information
for the Year Ended 30 June 2018

DIRECTORS: Mr P R Smith
Mr S A Morris

SECRETARY: Mr S A Morris

REGISTERED OFFICE: Longmead Industrial Estate
Shaftesbury
Dorset
SP7 8PX

REGISTERED NUMBER: 00366134 (England and Wales)

AUDITORS: Ward Goodman Audit Services Ltd
4 Cedar Park
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

T H Brickell & Son Limited (Registered number: 00366134)

**Group Strategic Report
for the Year Ended 30 June 2018**

The directors present their strategic report of the company and the group for the year ended 30 June 2018.

I am very pleased to report that despite the uncertain trading conditions surrounding the ongoing Brexit environment and an extraordinary bad debt of £74k from the sudden failure of a long standing client, the Group still managed to post an operating profit in excess of £100k.

In particular Blackmore Ltd maintained its consistency by posting, yet again, a profit before deferred tax in excess of £100k and without the bad debt Blackmore would have had its best year for over a decade.

This was also the last full year of Lamport Gilbert Ltd for, in this current year, following the end of the lease on the factory, trading in Reading was ceased, the factory was closed and the firm to be acquired by Blackmore Ltd substantially in to the Shaftesbury premises. Full and proper redundancies were enacted and all suppliers have been paid in full in a controlled shut down and transfer.

This has been a long standing strategy and the Group would wish to thank its bankers, Lloyds, for their support over the years and continuing in achieving this very positive move for the future and also the management team for an exemplary logistical and administrative closure.

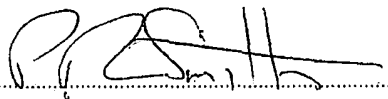
The full impact of the comprehensive overhead reduction programme started last year by the management team was, as planned, a significant contributor to the continuing operating profit and of course this will be further enhanced next year as the merged operations naturally reduce overheads.

The firm, unlike many has maintained and enhanced its commitment to the environment, health & safety and quality with ISO 14001, 9001, 18001 and FSC standards all once again accredited to the Group. More recently a Kodak Green award and a commitment to zero landfill has been achieved.

All firms across the UK must be aware and cautious of Brexit. However Blackmore is now a consolidated firm with the huge advantages of the addition of the sales of Lamport Gilbert but without the vast majority of the overheads of that firm. In addition because of the planned investment over the years at Blackmore in technologically advanced equipment and automation it has the capacity to exploit that position, without the need for the machinery of Lamport Gilbert and hence a significant drop on hire purchase repayments and interest which will lead to a significant increase in cash generation. This provides the excellent opportunity for future investments and diversification, many of which are now being worked on by the management team.

It could therefore not be in a better position to face the challenges of Brexit and beyond.

ON BEHALF OF THE BOARD:


.....
Director

Date: 14/3/2019

T H Brickell & Son Limited (Registered number: 00366134)

**Report of the Directors
for the Year Ended 30 June 2018**

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2018.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2018.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2017 to the date of this report.

Mr P R Smith
Mr S A Morris

PRINCIPAL RISKS AND UNCERTAINTIES

The group gives appropriate consideration to risk management objectives and policies. Facilities are in place to deal with cash flow and liquidity risk. Supplier pricing risk is mitigated by a diverse supplier portfolio. Credit risk is managed through adoption of a rigorous credit policy.

DISCLOSURE IN THE STRATEGIC REPORT

The strategic report contains the review of the business and future developments.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the 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 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

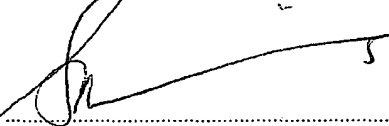
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Ward Goodman, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mr S A Morris - Director

Date: 14/3/2019

**Report of the Independent Auditors to the Members of
T H Brickell & Son Limited**

Opinion

We have audited the financial statements of T H Brickell & Son Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2018 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 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 affairs as at 30 June 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 group'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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 Report of the Directors.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Report of the Independent Auditors to the Members of
T H Brickell & Son Limited**

Responsibilities of directors

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

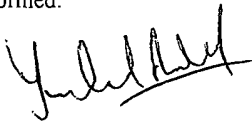
Auditors' responsibilities for the audit of the financial statements

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 a Report of the Auditors 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 Report of the Auditors.

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 a Report of the Auditors 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.



Mr I M Rodd (Senior Statutory Auditor)
for and on behalf of Ward Goodman Audit Services Ltd
4 Cedar Park
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

Date: 19 March 2019

T H Brickell & Son Limited

**Consolidated Income Statement
for the Year Ended 30 June 2018**

	Notes	2018 £	2017 £
TURNOVER		9,179,028	9,796,525
Cost of sales		<u>6,086,641</u>	<u>6,234,101</u>
GROSS PROFIT		3,092,387	3,562,424
Administrative expenses		<u>2,986,874</u>	<u>3,298,888</u>
OPERATING PROFIT	4	105,513	263,536
Interest payable and similar expenses	5	<u>155,419</u>	<u>187,312</u>
(LOSS)/PROFIT BEFORE TAXATION		(49,906)	76,224
Tax on (loss)/profit	6	<u>7,680</u>	<u>17,665</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(57,586)</u>	<u>58,559</u>
(Loss)/profit attributable to: Owners of the parent		<u>(57,586)</u>	<u>58,559</u>

The notes form part of these financial statements

T H Brickell & Son Limited

Consolidated Other Comprehensive Income
for the Year Ended 30 June 2018

Notes	2018 £	2017 £
(LOSS)/PROFIT FOR THE YEAR	(57,586)	58,559
OTHER COMPREHENSIVE INCOME		
Deferred tax movement	(3,888)	22,894
Income tax relating to other comprehensive income	-	-
	<u> </u>	<u> </u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>(3,888)</u>	<u>22,894</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(61,474)</u>	<u>81,453</u>
Total comprehensive income attributable to: Owners of the parent	<u>(61,474)</u>	<u>81,453</u>

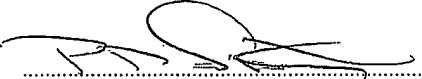
The notes form part of these financial statements

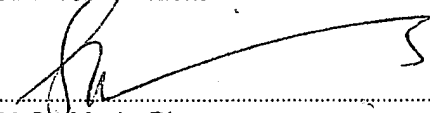
T H Brickell & Son Limited (Registered number: 00366134)

Consolidated Balance Sheet
30 June 2018

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		3,846,707		3,996,704
Investments	9		-		-
			<u>3,846,707</u>		<u>3,996,704</u>
CURRENT ASSETS					
Stocks	10	277,641		278,993	
Debtors	11	1,935,798		1,999,542	
Cash at bank and in hand		119,302		16,689	
		<u>2,332,741</u>		<u>2,295,224</u>	
CREDITORS					
Amounts falling due within one year	12	3,870,381		4,172,886	
NET CURRENT LIABILITIES					
			<u>(1,537,640)</u>		<u>(1,877,662)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			2,309,067		2,119,042
CREDITORS					
Amounts falling due after more than one year	13		(1,597,441)		(1,358,250)
PROVISIONS FOR LIABILITIES					
	18		<u>(366,482)</u>		<u>(354,174)</u>
NET ASSETS					
			<u>345,144</u>		<u>406,618</u>
CAPITAL AND RESERVES					
Called up share capital	19		127,957		127,957
Share premium	20		98,060		98,060
Revaluation reserve	20		676,506		680,394
Capital redemption reserve	20		4,128		4,128
Retained earnings	20		(561,507)		(503,921)
SHAREHOLDERS' FUNDS					
			<u>345,144</u>		<u>406,618</u>

The financial statements were approved by the Board of Directors on 14/3/19 and were signed on its behalf by:


.....
Mr P R Smith - Director


.....
Mr S A Morris - Director

The notes form part of these financial statements


T H Brickell & Son Limited (Registered number: 00366134)


Company Balance Sheet
30 June 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	8	1,309,300	1,320,106
Investments	9	684,000	684,000
		<u>1,993,300</u>	<u>2,004,106</u>
CURRENT ASSETS			
Debtors	11	64,987	104,582
Cash at bank and in hand		777	3,273
		<u>65,764</u>	<u>107,855</u>
CREDITORS			
Amounts falling due within one year	12	71,952	77,606
		<u>(6,188)</u>	<u>30,249</u>
NET CURRENT (LIABILITIES)/ASSETS			
		<u>1,987,112</u>	<u>2,034,355</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	13	(1,467,340)	(1,461,353)
PROVISIONS FOR LIABILITIES			
	18	(115,667)	(111,775)
NET ASSETS			
		<u>404,105</u>	<u>461,227</u>
CAPITAL AND RESERVES			
Called up share capital	19	127,957	127,957
Share premium	20	98,060	98,060
Revaluation reserve	20	676,506	680,394
Capital redemption reserve	20	4,128	4,128
Retained earnings	20	(502,546)	(449,312)
SHAREHOLDERS' FUNDS			
		<u>404,105</u>	<u>461,227</u>
Company's loss for the financial year		<u>(53,234)</u>	<u>(24,657)</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 14/3/2019 and were signed on its behalf by:


.....
Mr P R Smith - Director


.....
Mr S A Morris - Director

The notes form part of these financial statements

T H Brickell & Son Limited

Consolidated Statement of Changes in Equity
for the Year Ended 30 June 2018

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 July 2016	127,957	(562,480)	98,060
Changes in equity			
Total comprehensive income	-	58,559	-
Balance at 30 June 2017	<u>127,957</u>	<u>(503,921)</u>	<u>98,060</u>
Changes in equity			
Total comprehensive income	-	(57,586)	-
Balance at 30 June 2018	<u>127,957</u>	<u>(561,507)</u>	<u>98,060</u>
	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 July 2016	657,500	4,128	325,165
Changes in equity			
Total comprehensive income	22,894	-	81,453
Balance at 30 June 2017	<u>680,394</u>	<u>4,128</u>	<u>406,618</u>
Changes in equity			
Total comprehensive income	(3,888)	-	(61,474)
Balance at 30 June 2018	<u>676,506</u>	<u>4,128</u>	<u>345,144</u>

The notes form part of these financial statements

T H Brickell & Son Limited

**Company Statement of Changes in Equity
for the Year Ended 30 June 2018**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 July 2016	127,957	(424,655)	98,060
Changes in equity			
Total comprehensive income	-	(24,657)	-
Balance at 30 June 2017	<u>127,957</u>	<u>(449,312)</u>	<u>98,060</u>
Changes in equity			
Total comprehensive income	-	(53,234)	-
Balance at 30 June 2018	<u><u>127,957</u></u>	<u><u>(502,546)</u></u>	<u><u>98,060</u></u>
	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 July 2016	657,500	4,128	462,990
Changes in equity			
Total comprehensive income	22,894	-	(1,763)
Balance at 30 June 2017	<u>680,394</u>	<u>4,128</u>	<u>461,227</u>
Changes in equity			
Total comprehensive income	(3,888)	-	(57,122)
Balance at 30 June 2018	<u><u>676,506</u></u>	<u><u>4,128</u></u>	<u><u>404,105</u></u>

The notes form part of these financial statements

T H Brickell & Son Limited

**Consolidated Cash Flow Statement
for the Year Ended 30 June 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	150,182	358,284
Interest paid		(57,662)	(52,059)
Interest element of hire purchase payments paid		(97,757)	(135,253)
Tax paid		736	(736)
		<hr/>	<hr/>
Net cash from operating activities		(4,501)	170,236
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of tangible fixed assets		(157,983)	(28,562)
Sale of tangible fixed assets		185,000	20,000
		<hr/>	<hr/>
Net cash from investing activities		27,017	(8,562)
		<hr/>	<hr/>
Cash flows from financing activities			
New loans in year		250,000	-
Bank loan repayments		(44,083)	(42,896)
Capital repayments in year		(167,263)	(66,979)
Advanced to parent company		(5,000)	(10,198)
		<hr/>	<hr/>
Net cash from financing activities		33,654	(120,073)
		<hr/>	<hr/>
Increase in cash and cash equivalents		56,170	41,601
Cash and cash equivalents at beginning of year	2	9,527	(32,074)
		<hr/>	<hr/>
Cash and cash equivalents at end of year	2	65,697	9,527
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

T H Brickell & Son Limited

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 June 2018**

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018	2017
	£	£
(Loss)/profit before taxation	(49,906)	76,224
Depreciation charges	220,305	310,945
Profit on disposal of fixed assets	(97,325)	(9,550)
Finance costs	155,419	187,312
	<u>228,493</u>	<u>564,931</u>
Decrease in stocks	1,352	34,605
Decrease/(increase) in trade and other debtors	68,744	(182,304)
Decrease in trade and other creditors	(148,407)	(58,948)
	<u>150,182</u>	<u>358,284</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2018

	30.6.18	1.7.17
	£	£
Cash and cash equivalents	119,302	16,689
Bank overdrafts	(53,605)	(7,162)
	<u>65,697</u>	<u>9,527</u>

Year ended 30 June 2017

	30.6.17	1.7.16
	£	£
Cash and cash equivalents	16,689	2,544
Bank overdrafts	(7,162)	(34,618)
	<u>9,527</u>	<u>(32,074)</u>

T H Brickell & Son Limited

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2018

1. STATUTORY INFORMATION

T H Brickell & Son Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The Group had net current liabilities at the year end of £1,537,640 (2017: £1,887,662). The Company's business activities, together with factors likely to affect its future development, performance and position are set out in the Strategic Report. The Company meets its day to day working capital requirements through facilities provided by its bankers and the parent company, and the Company's forecasts and projections show that the Company is able to operate within its current facilities. The directors have considered cash flow forecasts for the 12 month period from the date of approval of the financial statements. The forecasts show that the company is able to meet its debts as they fall due for the foreseeable future and on the basis of these forecasts the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

Basis of consolidation

The financial statements consolidate the accounts of the company with those of its subsidiary undertakings, Blackmore Limited and Lamport Gilbert Limited. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Profit and Loss Account.

Significant judgements and estimates

There are no significant sources of judgement and estimations during this and the previous year.

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services arising during the year from principal activities in the UK, exclusive of Value Added Tax and trade discounts.

Tangible fixed assets

Tangible assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	2% - 10% straight line
L/term leasehold property	1% - 20% straight line
Plant and machinery	5% - 25% straight line
Motor vehicles	27% - 50% straight line
Fixtures and fittings	20% - 33% straight line

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and Loss Account.

The current freehold property in the accounts has reached its residual value, so no depreciation has been charged for both this year and the prior year. If any new freehold property was to be purchased then the depreciation rate above would be used.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2018

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments

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

Basic financial assets;

Basic financial assets, which include trade and other receivables 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 future receipts discounted at a market rate of interest.

Basic financial liabilities;

Basic financial liabilities, including trade and other payables, bank loans, and loans from group companies are initially recognised at transaction price. Financial liabilities due in more than one year are initially measured at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities constituting financing transactions are initially measured at the present value of the future payments discounted at a market rate of interest.

Derecognition of financial assets and liabilities;

Financial assets and liabilities are derecognised when the Group's contractual rights or obligations expire or are discharged, transferred or cancelled.

T H Brickell & Son Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2018**

3. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	2,662,323	2,783,800
Social security costs	257,390	262,192
Other pension costs	110,118	89,231
	<u>3,029,831</u>	<u>3,135,223</u>

The average number of employees during the year was as follows:

	2018	2017
Production	67	68
Selling and distribution	26	26
Administration	3	4
	<u>96</u>	<u>98</u>

	2018	2017
	£	£
Directors' remuneration	131,815	163,403
Directors' pension contributions to money purchase schemes	61,299	40,925
	<u>193,114</u>	<u>204,328</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

4. OPERATING PROFIT

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

	2018	2017
	£	£
Hire of plant and machinery	93,056	99,308
Other operating leases	109,887	134,155
Depreciation - owned assets	72,495	57,689
Depreciation - assets on hire purchase contracts	147,810	253,253
Profit on disposal of fixed assets	(97,325)	(9,550)
Auditor's remuneration	12,415	11,725
Auditor's remuneration for non audit services	2,860	3,875
	<u>331,238</u>	<u>540,375</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Bank interest	32,116	33,222
Bank loan interest	25,546	18,837
Hire purchase	97,757	135,253
	<u>155,419</u>	<u>187,312</u>

T H Brickell & Son Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2018

6. TAXATION

Analysis of the tax charge

The tax charge on the loss for the year was as follows:

	2018 £	2017 £
Current tax:		
UK corporation tax	(736)	295
Deferred tax	<u>8,416</u>	<u>17,370</u>
Tax on (loss)/profit	<u><u>7,680</u></u>	<u><u>17,665</u></u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
(Loss)/profit before tax	<u>(49,906)</u>	<u>76,224</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%)	(9,482)	14,483
Effects of:		
Expenses not deductible for tax purposes	1,995	1,718
Income not taxable for tax purposes	(18,492)	(1,814)
Capital allowances in excess of depreciation	(5,367)	-
Depreciation in excess of capital allowances	-	24,343
Utilisation of tax losses	(15,254)	-
Other adjustments	-	295
Loss carried forward	46,600	(38,730)
Deferred tax adjustment	8,416	17,370
Taxation refund	(736)	-
Total tax charge	<u><u>7,680</u></u>	<u><u>17,665</u></u>

Tax effects relating to effects of other comprehensive income

	2018		
	Gross £	Tax £	Net £
Deferred tax movement	<u>(3,888)</u>	<u>-</u>	<u>(3,888)</u>
	2017		
	Gross £	Tax £	Net £
Deferred tax movement	<u>22,894</u>	<u>-</u>	<u>22,894</u>

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

T H Brickell & Son Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2018

8. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to property £	Plant and machinery £
COST OR VALUATION			
At 1 July 2017	1,280,000	202,417	6,567,159
Additions	-	2,163	154,945
Disposals	-	-	(420,000)
At 30 June 2018	<u>1,280,000</u>	<u>204,580</u>	<u>6,302,104</u>
DEPRECIATION			
At 1 July 2017	-	178,645	3,948,684
Charge for year	-	7,635	186,523
Eliminated on disposal	-	-	(332,325)
At 30 June 2018	<u>-</u>	<u>186,280</u>	<u>3,802,882</u>
NET BOOK VALUE			
At 30 June 2018	<u>1,280,000</u>	<u>18,300</u>	<u>2,499,222</u>
At 30 June 2017	<u>1,280,000</u>	<u>23,772</u>	<u>2,618,475</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 July 2017	671,096	69,065	8,789,737
Additions	875	-	157,983
Disposals	-	-	(420,000)
At 30 June 2018	<u>671,971</u>	<u>69,065</u>	<u>8,527,720</u>
DEPRECIATION			
At 1 July 2017	636,304	29,400	4,793,033
Charge for year	15,653	10,494	220,305
Eliminated on disposal	-	-	(332,325)
At 30 June 2018	<u>651,957</u>	<u>39,894</u>	<u>4,681,013</u>
NET BOOK VALUE			
At 30 June 2018	<u>20,014</u>	<u>29,171</u>	<u>3,846,707</u>
At 30 June 2017	<u>34,792</u>	<u>39,665</u>	<u>3,996,704</u>

Included in cost or valuation of land and buildings is freehold land of £494,150 (2017 - £494,150) which is not depreciated.

T H Brickell & Son Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2018

8. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 30 June 2018 is represented by:

	Freehold property £	Improvements to property £	Plant and machinery £
Valuation in 2000	355,060	-	-
Valuation in 2005	349,218	-	-
Valuation in 2012	(150,000)	-	-
Cost	<u>725,722</u>	<u>204,580</u>	<u>6,302,104</u>
	<u>1,280,000</u>	<u>204,580</u>	<u>6,302,104</u>

	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2000	-	-	355,060
Valuation in 2005	-	-	349,218
Valuation in 2012	-	-	(150,000)
Cost	<u>671,971</u>	<u>69,065</u>	<u>7,973,442</u>
	<u>671,971</u>	<u>69,065</u>	<u>8,527,720</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2018 £	2017 £
Cost	<u>725,722</u>	<u>725,722</u>
Aggregate depreciation	<u>249,734</u>	<u>249,734</u>
Value of land in freehold land and buildings	<u>130,616</u>	<u>130,616</u>

Freehold land and buildings were valued on an existing use basis on 30 June 2012 by Fairweather Chartered Surveyors.

T H Brickell & Son Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2018**

8. TANGIBLE FIXED ASSETS - continued

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 July 2017	4,399,008	59,483	4,458,491
Disposals	(420,000)	-	(420,000)
At 30 June 2018	<u>3,979,008</u>	<u>59,483</u>	<u>4,038,491</u>
DEPRECIATION			
At 1 July 2017	2,207,375	19,689	2,227,064
Charge for year	137,316	10,494	147,810
Eliminated on disposal	(332,325)	-	(332,325)
At 30 June 2018	<u>2,012,366</u>	<u>30,183</u>	<u>2,042,549</u>
NET BOOK VALUE			
At 30 June 2018	<u>1,966,642</u>	<u>29,300</u>	<u>1,995,942</u>
At 30 June 2017	<u>2,191,633</u>	<u>39,794</u>	<u>2,231,427</u>

Company

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 July 2017 and 30 June 2018	<u>1,280,000</u>	<u>18,200</u>	<u>59,483</u>	<u>1,357,683</u>
DEPRECIATION				
At 1 July 2017	-	17,888	19,689	37,577
Charge for year	-	312	10,494	10,806
At 30 June 2018	<u>-</u>	<u>18,200</u>	<u>30,183</u>	<u>48,383</u>
NET BOOK VALUE				
At 30 June 2018	<u>1,280,000</u>	<u>-</u>	<u>29,300</u>	<u>1,309,300</u>
At 30 June 2017	<u>1,280,000</u>	<u>312</u>	<u>39,794</u>	<u>1,320,106</u>

Included in cost or valuation of land and buildings is freehold land of £494,150 (2017 - £494,150) which is not depreciated.

Cost or valuation at 30 June 2018 is represented by:

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2000	355,060	-	-	355,060
Valuation in 2005	349,218	-	-	349,218
Valuation in 2012	(150,000)	-	-	(150,000)
Cost	<u>725,722</u>	<u>18,200</u>	<u>59,483</u>	<u>803,405</u>
	<u>1,280,000</u>	<u>18,200</u>	<u>59,483</u>	<u>1,357,683</u>

T H Brickell & Son Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2018**

8. TANGIBLE FIXED ASSETS - continued

Company

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2018	2017
	£	£
Cost	725,722	725,722
Aggregate depreciation	249,734	249,734
Value of land in freehold land and buildings	130,616	130,616

Freehold land and buildings were valued on an existing use basis on 30 June 2012 by Fairweather Chartered Surveyors.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST OR VALUATION	
At 1 July 2017 and 30 June 2018	59,483
DEPRECIATION	
At 1 July 2017	19,689
Charge for year	10,494
At 30 June 2018	30,183
NET BOOK VALUE	
At 30 June 2018	29,300
At 30 June 2017	39,794

9. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 July 2017 and 30 June 2018	684,000
NET BOOK VALUE	
At 30 June 2018	684,000
At 30 June 2017	684,000

The investment in Lamport Gilbert was impaired in 2011 from the original cost of £449,600 to nil. The investment was impaired due to the subsidiary's negative reserves.

If fixed asset investments had not been impaired they would be included at original cost of £1,133,600.

T H Brickell & Son Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2018

9. **FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Blackmore Limited

Registered office:

Nature of business: Commercial Printer

Class of shares:	% holding	2018	2017
Ordinary	100.00	£	£
Aggregate capital and reserves		1,144,486	1,065,591
Profit for the year		78,895	83,383

Lamport Gilbert Limited

Registered office:

Nature of business: Commercial Printer

Class of shares:	% holding	2018	2017
Ordinary	100.00	£	£
Aggregate capital and reserves		(518,878)	(434,628)
Loss for the year		(84,250)	(166)

10. **STOCKS**

	Group	
	2018	2017
	£	£
Stocks	129,708	121,795
Work-in-progress	147,933	157,198
	<u>277,641</u>	<u>278,993</u>

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	1,564,255	1,628,182	-	-
Amounts owed by group undertakings	55,539	50,539	55,539	98,539
Other debtors	3,278	2,639	-	-
VAT	45,527	52,672	-	-
Prepayments	267,199	265,510	9,448	6,043
	<u>1,935,798</u>	<u>1,999,542</u>	<u>64,987</u>	<u>104,582</u>

T H Brickell & Son Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2018

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts (see note 14)	112,001	51,464	58,396	44,302
Hire purchase contracts (see note 15)	308,075	522,707	-	16,752
Trade creditors	2,086,855	1,966,475	-	-
Social security and other taxes	59,057	62,130	(759)	78
VAT	-	-	6,191	7,262
Other creditors	18,629	16,246	-	-
Other creditors	1,019,147	1,273,896	-	-
Accrued expenses	266,617	279,968	8,124	9,212
	<u>3,870,381</u>	<u>4,172,886</u>	<u>71,952</u>	<u>77,606</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans (see note 14)	708,622	516,799	708,622	516,799
Hire purchase contracts (see note 15)	888,819	841,450	-	1,938
Amounts owed to group undertakings	-	1	758,718	942,616
	<u>1,597,441</u>	<u>1,358,250</u>	<u>1,467,340</u>	<u>1,461,353</u>

14. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	53,605	7,162	-	-
Bank loans	58,396	44,302	58,396	44,302
	<u>112,001</u>	<u>51,464</u>	<u>58,396</u>	<u>44,302</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	58,395	44,735	58,395	44,735
	<u>58,395</u>	<u>44,735</u>	<u>58,395</u>	<u>44,735</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	175,186	187,365	175,186	187,365
	<u>175,186</u>	<u>187,365</u>	<u>175,186</u>	<u>187,365</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	475,041	284,699	475,041	284,699
	<u>475,041</u>	<u>284,699</u>	<u>475,041</u>	<u>284,699</u>

T H Brickell & Son Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2018

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2018	2017
	£	£
Gross obligations repayable:		
Within one year	368,951	618,061
Between one and five years	1,043,987	930,409
In more than five years	-	44,889
	<u>1,412,938</u>	<u>1,593,359</u>
Finance charges repayable:		
Within one year	60,876	95,354
Between one and five years	155,168	132,148
In more than five years	-	1,700
	<u>216,044</u>	<u>229,202</u>
Net obligations repayable:		
Within one year	308,075	522,707
Between one and five years	888,819	798,261
In more than five years	-	43,189
	<u>1,196,894</u>	<u>1,364,157</u>

Company

	Hire purchase contracts	
	2018	2017
	£	£
Gross obligations repayable:		
Within one year	-	17,393
Between one and five years	-	1,958
	<u>-</u>	<u>19,351</u>
Finance charges repayable:		
Within one year	-	641
Between one and five years	-	20
	<u>-</u>	<u>661</u>
Net obligations repayable:		
Within one year	-	16,752
Between one and five years	-	1,938
	<u>-</u>	<u>18,690</u>

T H Brickell & Son Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2018

15. LEASING AGREEMENTS - continued

Group	Non-cancellable operating leases	
	2018 £	2017 £
Within one year	121,522	268,690
Between one and five years	21,882	143,403
	<u>143,404</u>	<u>412,093</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2018 £	2017 £
Bank overdrafts	53,605	7,162
Bank loans	767,018	561,101
Hire purchase contracts	1,196,894	1,364,157
	<u>2,017,517</u>	<u>1,932,420</u>

Bank loans are secured by a charge over the property. The group also has working capital facilities provided by Lloyds TSB Commercial Finance which are secured against the trade debtors of the group. Hire purchase creditors are secured against the assets to which they relate.

The bank loans are repayable by instalments and bear a commercial rate of interest.

17. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial liabilities Measured at amortised cost	2,017,517	1,932,419

18. PROVISIONS FOR LIABILITIES

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Deferred tax	<u>366,482</u>	<u>354,174</u>	<u>115,667</u>	<u>111,775</u>
Group				Deferred tax
				tax
				£
Balance at 1 July 2017				354,174
Provided during year				12,308
Balance at 30 June 2018				<u>366,482</u>

T H Brickell & Son Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2018

18. PROVISIONS FOR LIABILITIES - continued

Company

	Deferred tax £
Balance at 1 July 2017	111,775
Provided during year	3,892
	<u>115,667</u>
Balance at 30 June 2018	<u>115,667</u>

The group deferred tax liability is in respect of the following:

	2018 £	2017 £
Capital allowances in advance of depreciation	301,056	337,116
Revalued freehold property	115,667	111,775
Trading losses	(50,241)	(94,717)
	<u>366,482</u>	<u>354,174</u>

The company's deferred tax liability is in respect of revalued freehold property.

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
125,491	Ordinary	1	20,551	20,551
2,499	Ordinary B	1	2,466	2,466
104,940	Preference	1	104,940	104,940
			<u>127,957</u>	<u>127,957</u>

20. RESERVES

Group

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 July 2017	(503,921)	98,060	680,394	4,128	278,661
Deficit for the year	(57,586)				(57,586)
Deferred tax	-	-	(3,888)	-	(3,888)
	<u>(561,507)</u>	<u>98,060</u>	<u>676,506</u>	<u>4,128</u>	<u>217,187</u>

T H Brickell & Son Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2018**

20. RESERVES - continued

Company

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 July 2017	(449,312)	98,060	680,394	4,128	333,270
Deficit for the year	(53,234)				(53,234)
Deferred tax	-	-	(3,888)	-	(3,888)
At 30 June 2018	<u>(502,546)</u>	<u>98,060</u>	<u>676,506</u>	<u>4,128</u>	<u>276,148</u>

21. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost represents contributions payable by the group to the fund and amounted to £110,118 (2017: £89,231). Contributions totalling £13,906 (2017: £9,682) were payable to the fund at the balance sheet date and are included in creditors.

22. ULTIMATE PARENT COMPANY

Brickell Holdings Limited is regarded by the directors as being the company's ultimate parent company.

23. CONTINGENT LIABILITIES

The company has guaranteed certain borrowings of its subsidiary companies. Outstanding liabilities of the subsidiaries falling within the scope of the guarantee total £1,019,147 (2017: £1,273,896).

24. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Key management personnel are the Directors. Directors remuneration is disclosed in note 3.

25. ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking is Brickell Holdings Limited. The ultimate controlling parties are Mr P R Smith and Mr S A Morris by virtue of their controlling shareholding in Brickell Holdings Limited.

The largest parent undertaking that prepares group financial statements is Brickell Holdings Limited. Copies of these financial statements can be obtained from Longmead Industrial Estate, Shaftesbury, Dorset, SP7 8PX.