

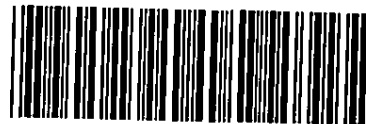
Registered number 00686405

BROWN AND MASON LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2012

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COMPANIES HOUSE

BROWN AND MASON LIMITED

COMPANY INFORMATION

DIRECTORS	T A Brown M T Sabga J Payton L F A Brown N T Brown R W Brown C E Buckingham M H Jacob L A Brown A Hadden
COMPANY SECRETARY	L A Brown
COMPANY NUMBER	00686405
REGISTERED OFFICE	Anson House Schooner Court Crossways Business Park Dartford Kent DA2 6QQ
AUDITOR	Barnes Roffe LLP Chartered Accountants Leytonstone House Leytonstone London E11 1GA

BROWN AND MASON LIMITED

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BROWN AND MASON LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2012

The directors present their report and the financial statements for the year ended 30 April 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

PRINCIPAL ACTIVITY

The principal activity of the company continued to be that of demolition of buildings and disposal of materials extracted therefrom.

BUSINESS REVIEW

The directors are pleased with the results for the year which have been achieved despite the continuing weakness in the economy and general market uncertainties.

Turnover has increased this year to £32.2m which is the result of the company continuing to win large demolition contracts in the UK during the year. Gross profit of £7.0m was generated which the directors consider a success, given margins are continuing to be squeezed by the current uncertain economic situation. EBITDA also remained strong at £2.1m.

The branch in Hungary set up during 2010 continues to generate profits arising from the ongoing contract for demolition.

During the year, the company completed a number of high profile projects in line with customer requirements and completion timetables. In addition, the company has continued to secure new high profile projects. This reflects on the company's ongoing investment in staff training, high quality compliance standards and health and safety.

BROWN AND MASON LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2012

BUSINESS REVIEW (Continued)

The directors recognise that the specialist sector and competitive environment in which the company operates require that management maintains an active and direct involvement in the assessment and running of the key operational priorities

- Health and safety (via our "Total Safety Management" and "Health Surveillance" programmes), to ensure that our Accident Frequency Rate is kept below 0.45,
- Staff training (via continuous general and specific training programmes and our efforts to obtain full CSCS certification), to work safely, employing and demonstrating a professional, efficient, competent and fully trained workforce,
- Compliance to industry standards and regulations (as demonstrated by various accreditations and maintained via our internal quality control system and regular external audits),
- To continue as one of the leading demolition/dismantling contractors and steadily increase upon market share,
- To ensure that our projects are completed within the stated contract duration and stated contract budget,
- To maintain repeat business as "preferred" contractor to major client base

In line with the good trading results, the company's net asset position strengthened from £8.8 million to £9.9 million. The company's cash position remained healthy during the year and at the year end. The directors consider the company's cash resources to be adequate to meet current and expected future working capital requirements.

Risk management

The company adopts a measured approach in identifying and managing its financial and business risks.

From a financial perspective, the directors have always maintained an adequate 'cash buffer' and appropriate banking facilities to ensure that the company is able to comfortably deal with fluctuations in working capital requirements. The commencement or initial phase of any contract usually requires significant cash outlay and the directors are pleased that this policy has meant that the company is able to successfully take on and complete large high profile contracts.

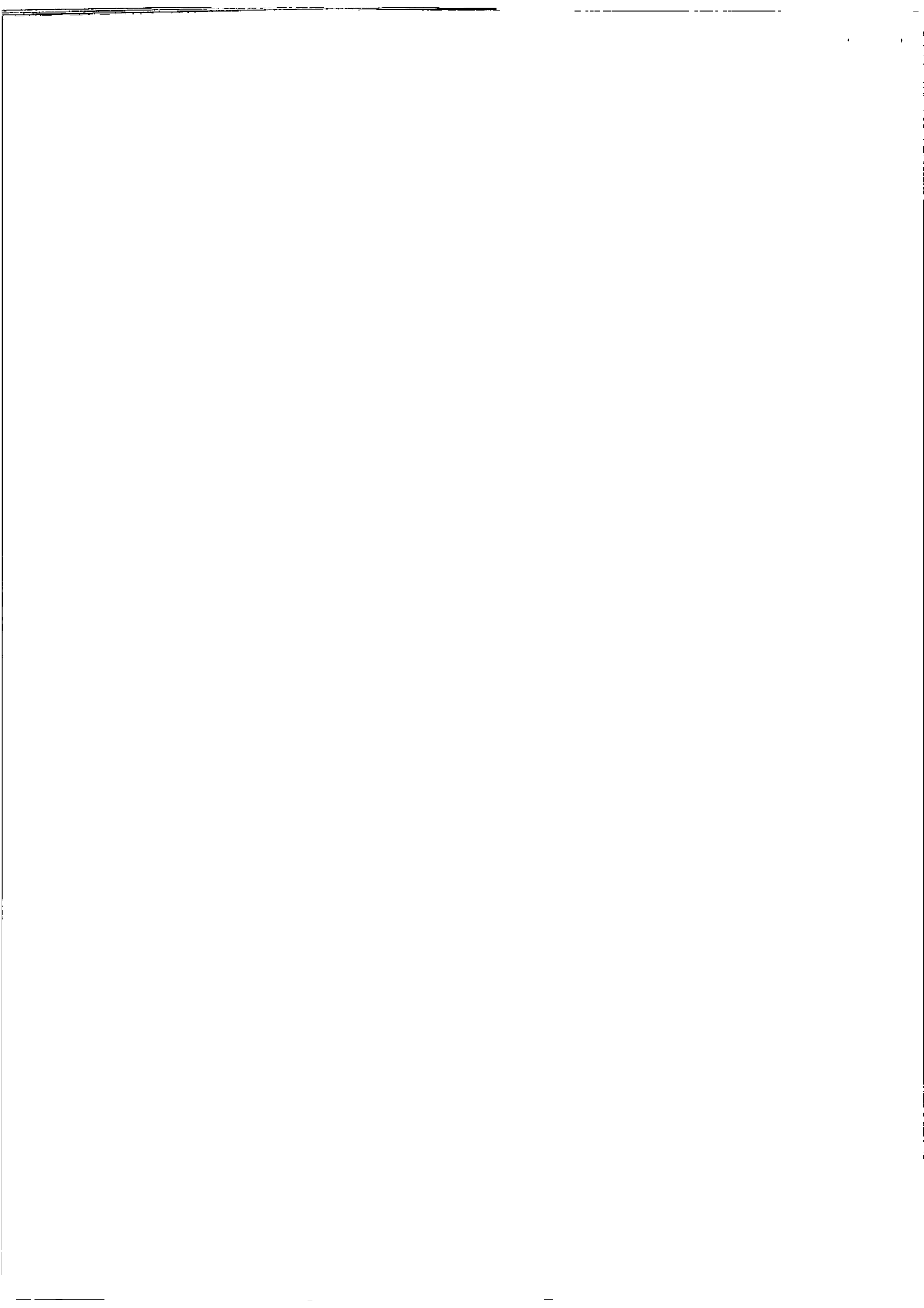
The directors recognise that it is important for the company's customers to be confident of our financial strength and integrity.

The company's net cash position remains positive. Short and long term debt is appropriately structured to maximise flexibility and minimise financing costs.

Risk from customer debt is low, in line with our client base and our quality standards. Forward contracts are used to de-risk from price fluctuations where applicable.

The company also has no significant concentration of supply risk, with exposure adequately spread over a number of suppliers. As part of the company's Quality Management System, all subcontractors and suppliers are required to submit specific information to enable routine review of the company's approved subcontractors and suppliers list.

Operating risks are managed via a combination of strong internal controls and external accreditations as detailed above.



BROWN AND MASON LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2012

BUSINESS REVIEW (Continued)

Financial assets and business risks are also suitably covered by relevant insurance policies. This provides assurance to both the company and its customers.

Employment policy

The company does not discriminate against anyone on any grounds. The sole criterion for selection or promotion is the suitability of the person for the job. It is the policy of the company to provide employment to people irrespective of sex, age, religion or disability whenever the demands of the company and the abilities of the individual will allow. Appropriate levels of training and development are available for all levels and categories of staff.

The company has been an "Investors in People" recognised organisation since 1999.

Environment

The company is registered with National Quality Assurance (NQA), a leading assessment, verification and certification body in quality, environment and health and safety management. The company operates a combined management system which complies with the three recognised standards of BE EN ISO9001, 14001 and 18001.

Outlook

The company's pipeline of projects remains strong on the back of further contract wins during the year. Despite the economic uncertainty, the directors anticipate further contract wins over the next 12 months. This is very encouraging as it demonstrates the company's ability to meet its customers' requirements – to complete projects to their agreed timetable and programme, safely, competently and efficiently. It is also an endorsement of the company's operational capabilities.

The directors would like to take this opportunity to thank its staff and importantly its customers and business partners.

RESULTS

The profit for the year, after taxation, amounted to £1,100,567 (2011 - £640,673).

DIRECTORS

The directors who served during the year were

T A Brown
N T Brown
R W Brown
L F A Brown
L A Brown
M T Sabga
J Payton
C E Buckingham
M H Jacob
B W McWeeney (resigned 30 November 2012)
A Hadden

BROWN AND MASON LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2012**

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

This report was approved by the board on 18 January 2013 and signed on its behalf



L A Brown
Secretary

BROWN AND MASON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BROWN AND MASON LIMITED

We have audited the financial statements of Brown and Mason Limited for the year ended 30 April 2012, set out on pages 7 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2012 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BROWN AND MASON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BROWN AND MASON LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, 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



Shen Yap (Senior statutory auditor)

for and on behalf of

Barnes Roffe LLP

Chartered Accountants

Statutory Auditor

Leytonstone House

Leytonstone

London

E11 1GA

18 January 2013

BROWN AND MASON LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2012**

	Note	2012 £	2011 £
TURNOVER	1,2	32,177,049	22,808,647
Cost of sales		<u>(25,133,037)</u>	<u>(16,648,017)</u>
GROSS PROFIT		7,044,012	6,160,630
Administrative expenses		<u>(5,414,287)</u>	<u>(5,092,801)</u>
OPERATING PROFIT	3	1,629,725	1,067,829
Interest receivable and similar income	6	10,575	17,179
Interest payable and similar charges	7	<u>(286,314)</u>	<u>(180,925)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,353,986	904,083
Tax on profit on ordinary activities	8	<u>(253,419)</u>	<u>(263,410)</u>
PROFIT FOR THE FINANCIAL YEAR	18	<u>1,100,567</u>	<u>640,673</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 9 to 20 form part of these financial statements

BROWN AND MASON LIMITED
REGISTERED NUMBER: 00686405

BALANCE SHEET
AS AT 30 APRIL 2012

	Note	2012		2011	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		9,046,897		8,923,333
Investments	10		100		100
			<u>9,046,997</u>		<u>8,923,433</u>
CURRENT ASSETS					
Stocks	11	15,436,616		3,697,362	
Debtors	12	12,251,198		8,794,520	
Cash at bank		2,771,218		2,495,651	
		<u>30,459,032</u>		<u>14,987,533</u>	
CREDITORS amounts falling due within one year	13		<u>(25,806,427)</u>		<u>(12,301,055)</u>
NET CURRENT ASSETS			<u>4,652,605</u>		<u>2,686,478</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,699,602</u>		<u>11,609,911</u>
CREDITORS: amounts falling due after more than one year	14		(2,421,440)		(1,585,183)
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	15	(1,220,806)		(1,223,959)	
Other provisions	16	(156,020)		-	
			<u>(1,376,826)</u>		<u>(1,223,959)</u>
NET ASSETS			<u>9,901,336</u>		<u>8,800,769</u>
CAPITAL AND RESERVES					
Called up share capital	17		10,000		10,000
Profit and loss account	18		9,891,336		8,790,769
SHAREHOLDERS' FUNDS	19		<u>9,901,336</u>		<u>8,800,769</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 January 2013

T A Brown
 Director

The notes on pages 9 to 20 form part of these financial statements



BROWN AND MASON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover and profits

Profit is recognised on long term 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.

The scrap arising from the demolition work in reaching that stage of completion is taken to turnover on delivery, except where there is a contract to sell the scrap, in which case the sales value of scrap which is ready for sale is included in turnover.

Any potential loss on a long term demolition contract is provided in full as soon as it is foreseen.

In order to apply the above policy, the contracts are reviewed at the end of the year to determine the estimated costs to completion, the future sales value of the contracts and the estimated revenues to be earned on the sale of scrap.

1.4 Expenses

All expenses are accounted for on an accruals basis and charged through to the profit and loss account except as follows:

- Expenses which are incidental to the tendering of major contracts are deferred and amortised over the life of the contract.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following annual bases:

Leasehold improvements	-	15% straight line
Plant and machinery	-	5% reducing balance
Motor vehicles	-	10 and 20% straight line
Fixtures and fittings	-	15% straight line

BROWN AND MASON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2012**

1 ACCOUNTING POLICIES (continued)

1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

BROWN AND MASON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2012**

1. ACCOUNTING POLICIES (continued)

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1.12 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.13 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account

2. TURNOVER

The whole of the turnover is attributable to the one principal activity of the company

A geographical analysis of turnover is as follows

	2012 £	2011 £
UK	29,618,229	20,014,778
Other EU	2,558,820	2,793,869
	<u>32,177,049</u>	<u>22,808,647</u>



BROWN AND MASON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2012**

3. OPERATING PROFIT

The operating profit is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	210,680	241,896
- held under hire purchase contracts	321,261	198,482
Auditor's remuneration	16,500	16,500
Operating lease rentals		
- plant and machinery	3,035,615	2,295,560
- other operating leases	531,454	266,751
Difference on foreign exchange	15,531	-
Loss on sale of tangible assets	-	83,815
	<u> </u>	<u> </u>

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	6,841,265	5,916,710
Social security costs	611,755	506,374
Other pension costs	107,850	36,631
	<u> </u>	<u> </u>
	<u>7,560,870</u>	<u>6,459,715</u>

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

	2012 No.	2011 No
Contract and site	187	120
Administration	48	44
Distribution and maintenance	21	13
	<u> </u>	<u> </u>
	<u>256</u>	<u>177</u>

BROWN AND MASON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2012**

5. DIRECTORS' REMUNERATION

	2012 £	2011 £
Emoluments	<u>788,003</u>	<u>1,076,733</u>
Company pension contributions to defined contribution pension schemes	<u>72,874</u>	<u>13,899</u>

During the year retirement benefits were accruing to 3 directors (2011 - 3) in respect of defined contribution pension schemes

The highest paid director received remuneration of £94,850 (2011 - £164,668)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,400 (2011 - £5,400)

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2012 £	2011 £
Bank interest	<u>10,575</u>	<u>17,179</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
On bank loans and overdrafts	93,244	40,360
On hire purchase contracts	193,070	139,930
Other interest payable	-	635
	<u>286,314</u>	<u>180,925</u>



BROWN AND MASON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2012**

8. TAXATION

	2012 £	2011 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	213,868	62,016
	<u>213,868</u>	<u>62,016</u>
Foreign tax on income for the year	42,704	72,135
	<u>256,572</u>	<u>134,151</u>
Total current tax		
Deferred tax (see note 15)		
Origination and reversal of timing differences	(3,153)	129,259
	<u>253,419</u>	<u>263,410</u>
Tax on profit on ordinary activities		

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 26% (2011 - 26%) The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	1,353,986	904,083
	<u>1,353,986</u>	<u>904,083</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 26%)	352,036	235,062
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	32,734	99,405
Capital allowances for year in excess of depreciation	(120,099)	(205,451)
Double tax relief on Hungarian local business tax	-	59
Change in rate of tax	(8,099)	9,465
Marginal relief	-	(4,389)
	<u>256,572</u>	<u>134,151</u>
Current tax charge for the year (see note above)		

Factors that may affect future tax charges

The company has unutilised capital losses of £90,780 (2011 - £90,780) which can be used to offset future capital gains



BROWN AND MASON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2012**

9 TANGIBLE FIXED ASSETS

	Leasehold improvements £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £
Cost				
At 1 May 2011	432,678	14,556,331	270,858	2,024,871
Additions	-	556,020	-	99,485
At 30 April 2012	<u>432,678</u>	<u>15,112,351</u>	<u>270,858</u>	<u>2,124,356</u>
Depreciation				
At 1 May 2011	137,420	6,800,967	260,819	1,162,199
Charge for the year	43,268	336,521	1,700	150,452
At 30 April 2012	<u>180,688</u>	<u>7,137,488</u>	<u>262,519</u>	<u>1,312,651</u>
Net book value				
At 30 April 2012	<u>251,990</u>	<u>7,974,863</u>	<u>8,339</u>	<u>811,705</u>
<i>At 30 April 2011</i>	<u>295,258</u>	<u>7,755,364</u>	<u>10,039</u>	<u>862,672</u>
				Total £
Cost				
At 1 May 2011				17,284,738
Additions				655,505
At 30 April 2012				<u>17,940,243</u>
Depreciation				
At 1 May 2011				8,361,405
Charge for the year				531,941
At 30 April 2012				<u>8,893,346</u>
Net book value				
At 30 April 2012				<u>9,046,897</u>
<i>At 30 April 2011</i>				<u>8,923,333</u>

BROWN AND MASON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2012**

9. TANGIBLE FIXED ASSETS (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2012 £	2011 £
Plant and machinery	5,052,090	4,557,922
Motor vehicles	395,487	235,095
	5,447,577	4,793,017

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
Cost or valuation	
At 1 May 2011 and 30 April 2012	100
Net book value	
At 30 April 2012	100
At 30 April 2011	100

Subsidiary undertakings

The following was a subsidiary undertaking of the company

Name	Class of shares	Holding
T&B Investments Limited	Ordinary share capital	100%

The aggregate of the share capital and reserves as at 30 April 2012 and of the profit or loss for the year ended on that date for the subsidiary undertakings was as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
T&B Investments Limited	100	-

BROWN AND MASON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2012**

11. STOCKS

	2012 £	2011 £
Raw materials and consumables	275,861	351,360
Stock of scrap	15,160,755	3,346,002
	<u>15,436,616</u>	<u>3,697,362</u>

12. DEBTORS

	2012 £	2011 £
Trade debtors	8,885,971	1,488,044
Amounts owed by group undertakings	169,398	169,398
Other debtors	381,341	345,006
Prepayments and accrued income	559,688	656,872
Amounts recoverable on long term contracts	2,254,800	6,135,200
	<u>12,251,198</u>	<u>8,794,520</u>

13. CREDITORS

Amounts falling due within one year

	2012 £	2011 £
Bank loans and overdrafts	4,361,882	3,856,096
Net obligations under hire purchase contracts	1,026,629	668,183
Trade creditors	15,704,533	3,498,855
Corporation tax	239,801	77,949
Social security and other taxes	346,486	1,263,709
Other creditors	377,433	295,611
Accruals and deferred income	3,749,663	2,640,652
	<u>25,806,427</u>	<u>12,301,055</u>

The bank overdraft is secured by way of an inter-company cross guarantee between Brown and Mason Limited and Brown and Mason Plant Hire Limited and by way of a fixed charge over property owned by Brown and Mason Plant Hire Limited

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

BROWN AND MASON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2012**

14. CREDITORS

Amounts falling due after more than one year

	2012 £	2011 £
Net obligations under hire purchase contracts	1,421,440	1,585,183
Accruals and deferred income	1,000,000	-
	2,421,440	1,585,183

Obligations under hire purchase contracts, included above, are payable as follows

	2012 £	2011 £
Between one and five years	1,421,440	1,585,183

15. DEFERRED TAXATION

	2012 £	2011 £
At beginning of year	1,223,959	1,094,700
(Released during)/charge for year	(3,153)	129,259
	1,220,806	1,223,959

The provision for deferred taxation is made up as follows

	2012 £	2011 £
Accelerated capital allowances	1,220,806	1,223,959

16. PROVISIONS

	£
At 1 May 2011	-
Additions	156,020
	156,020
At 30 April 2012	156,020

The above provision relates to a lease on a premises for which the company no longer operates from and is obliged to fulfil the lease contract as follows -

The lease has an annual charge of £40,013 and expires on 30 July 2014. The property cannot be sublet for the remainder of the lease. Consequently, full provision for the remaining lease payments amounting to £156,020 has been made, in accordance with Financial Reporting Standard 12.

BROWN AND MASON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2012**

17. SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid 10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

18. RESERVES

	Profit and loss account £
At 1 May 2011	8,790,769
Profit for the year after taxation	<u>1,100,567</u>
At 30 April 2012	<u>9,891,336</u>

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Opening shareholders' funds	8,800,769	8,160,096
Profit for the year	<u>1,100,567</u>	<u>640,673</u>
Closing shareholders' funds	<u>9,901,336</u>	<u>8,800,769</u>

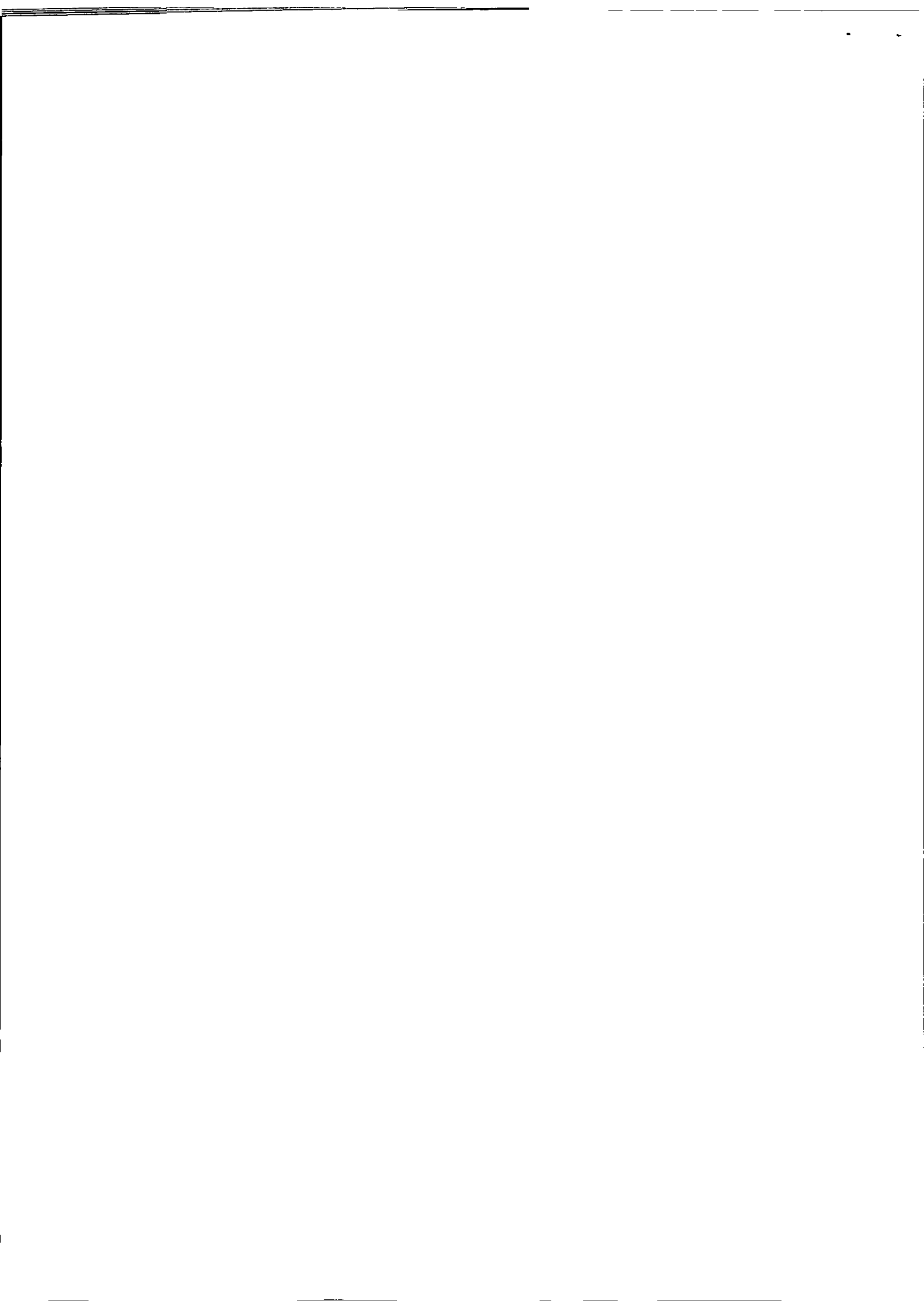
20. CONTINGENT LIABILITIES

The company has guaranteed jointly with other group companies bank advances to the group. The company's potential liability under this guarantee at 30 April 2012 amounted to £Nil (2011 - £Nil)

The company has agreed to continue to provide financial support for the foreseeable future to Brown & Mason Plant Hire Limited, a fellow subsidiary company

21. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £107,850 (2011 - £36,631). Contributions totalling £Nil (2011 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.



BROWN AND MASON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2012**

22. OPERATING LEASE COMMITMENTS

At 30 April 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012 £	2011 £	2012 £	2011 £
Expiry date:				
Within 1 year	60,318	60,318	4,760	-
Between 2 and 5 years	-	-	690,069	694,829
After more than 5 years	172,840	172,840	-	-

23. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available under Financial Reporting Standard 8 'Related Party Transactions' not to disclose transactions with entities included in the consolidated financial statements of Brown and Mason Holdings Limited, its ultimate parent undertaking. The consolidated financial statements of Brown and Mason Holdings Limited, the largest group of undertakings for which group accounts are drawn up, are available to the public at the company's registered office Anson House, Schooner Court, Crossways Business Park, Dartford, Kent, DA2 6QQ.

At the year end the company owed £185,061 (2011 - £295,155) to T A Brown, a director. The loan is unsecured and interest free.

24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent company is Brown and Mason Holdings Limited. The company is controlled by T A Brown.