

Company Registration No. 00832915 (England and Wales)

**BRUF CONTRACT HOLDINGS LTD**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**  
**PAGES FOR FILING WITH REGISTRAR**

## BRUF CONTRACT HOLDINGS LTD

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**BRUF CONTRACT HOLDINGS LTD**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 MARCH 2019**

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	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	34,667	1,107,417
	<u>          </u>	<u>          </u>
<b>Other comprehensive income</b>		
Actuarial (loss)/gain on defined benefit pension schemes	(128,600)	100,200
Actual return on assets less interest	(1,332,339)	220,500
Limit on recognition of assets less interest	238,000	(250,100)
	<u>          </u>	<u>          </u>
Contributions to defined benefit pension scheme	(1,222,939)	-
Deferred tax movement	207,900	-
	<u>          </u>	<u>          </u>
<b>Other comprehensive income for the year</b>	(1,015,039)	70,600
	<u>          </u>	<u>          </u>
<b>Total comprehensive income for the year</b>	(980,372)	1,178,017
	<u>          </u>	<u>          </u>

**BRUF CONTRACT HOLDINGS LTD****BALANCE SHEET****AS AT 31 MARCH 2019**

		2019		2018	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	3		279,353		91,154
Tangible assets	4		30		40
Investment properties	5		3,789,500		3,789,500
			<u>4,068,883</u>		<u>3,880,694</u>
<b>Current assets</b>					
Debtors	6	5,143		6,071	
Cash at bank and in hand		127,808		41,886	
		<u>132,951</u>		<u>47,957</u>	
<b>Creditors: amounts falling due within one year</b>	7	(1,321,621)		(68,066)	
<b>Net current liabilities</b>			<u>(1,188,670)</u>		<u>(20,109)</u>
<b>Total assets less current liabilities</b>			<u>2,880,213</u>		<u>3,860,585</u>
<b>Capital and reserves</b>					
Called up share capital	10	100,000		100,000	
Profit and loss reserves		2,780,213		3,760,585	
<b>Total equity</b>			<u>2,880,213</u>		<u>3,860,585</u>

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

For the financial year ended 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

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

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

The financial statements were approved by the board of directors and authorised for issue on 30 August 2019 and are signed on its behalf by:

Mr S Goodwin  
**Director**

**Company Registration No. 00832915**

## **BRUF CONTRACT HOLDINGS LTD**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**

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#### **1 Accounting policies**

##### **Company information**

Bruf Contract Holdings Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Wadebridge House, 16 Wadebridge Square, Poundbury, Dorchester, Dorset, DT1 3AQ.

##### **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.

##### **1.2 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

##### **1.3 Tangible fixed assets**

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

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

Plant and equipment	25% reducing balance
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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.

##### **1.4 Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

## BRUF CONTRACT HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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**1 Accounting policies**

(Continued)

**1.5 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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 and cash equivalents 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.

**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.

**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.

## BRUF CONTRACT HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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1 **Accounting policies**

(Continued)

**Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price 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.

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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 **Taxation**

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

**Current tax**

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

**Deferred tax**

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

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

## BRUF CONTRACT HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2019

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#### 1 Accounting policies

(Continued)

##### 1.10 Employee benefits

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

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

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

##### 1.11 Retirement benefits

The company operates group pension schemes for group companies. The funds of the schemes are administered by Trustees and are separate from the company. The main scheme is a fully funded multi-employer defined benefit scheme for which an independent actuary completes a formal valuation and review of past and future contribution levels at least every three years. In accordance with the Scheme Actuary's recommendations, monthly contributions are paid to the scheme so as to secure the benefits set out in the Scheme Rules.

The company complies with FRS 102 in respect of its accounting for pension costs. Contributions to employees' money purchase pension schemes are fully expensed as incurred. However, the operating and financing costs of the scheme are recognised separately in the profit and loss account. Service costs are systematically spread over the service lives of employees and financing costs are recognised in the periods to which they arise. The costs of individual events such as past service benefit enhancements, settlements and curtailments are recognised immediately in measuring profit or loss in the current reporting period. Variations from expected costs arising from the experience of the pension scheme or changes in actuarial assumptions, are recognised immediately in the statement of comprehensive income.

During the year the Company made contributions to the scheme, which included a premium to facilitate the buyout of the scheme liabilities by Aviva. Although negotiations with Aviva were at an advanced stage at the balance sheet date the buyout was not irreversible on that date and therefore these payments are recognised within the statement of comprehensive income.

Pensions accounting requires certain assumptions to be made in order to value the Company's obligations and to determine the charges to be made to the profit and loss account. These figures are particularly sensitive to assumptions for discount rates, mortality, inflation rates and expected long-term rates of return on assets. Details of the assumptions made are given in Note 9.

The fund shows a surplus at both 31 March 2018 and 31 March 2019 and therefore no provision is recorded. The surplus is not shown as an asset in the Company's balance sheet as it is not recoverable by the Company.

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

#### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2018 - 5).



**BRUF CONTRACT HOLDINGS LTD****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2019****3 Intangible fixed assets**

	<b>Deferred tax asset</b>
	<b>£</b>
<b>Cost</b>	
At 1 April 2018	91,154
Property loss from statement of comprehensive income	207,900
	<hr/>
At 31 March 2019	299,054
	<hr/>
<b>Amortisation and impairment</b>	
At 1 April 2018	-
Profit and loss account movement	19,701
	<hr/>
At 31 March 2019	19,701
	<hr/>
<b>Carrying amount</b>	
At 31 March 2019	279,353
	<hr/> <hr/>
At 31 March 2018	91,154
	<hr/> <hr/>

The company has property losses carried forward of £1,643,250. A deferred tax asset has been calculated based on a reduction of the UK corporation tax rate to 17% (effective 1 April 2020), which was substantively enacted on 6 September 2017.

A deferred tax liability is not recognised in respect of the valuation of investment properties as the company has capital losses of £1,832,632 carried forward.

**4 Tangible fixed assets**

	<b>Plant and machinery etc</b>
	<b>£</b>
<b>Cost</b>	
At 1 April 2018 and 31 March 2019	19,316
	<hr/>
<b>Depreciation and impairment</b>	
At 1 April 2018	19,276
Depreciation charged in the year	10
	<hr/>
At 31 March 2019	19,286
	<hr/>
<b>Carrying amount</b>	
At 31 March 2019	30
	<hr/> <hr/>
At 31 March 2018	40
	<hr/> <hr/>

**BRUF CONTRACT HOLDINGS LTD****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2019****5 Investment property**

	<b>2019</b>
	<b>£</b>
<b>Fair value</b>	
At 1 April 2018 and 31 March 2019	3,789,500

Investment property comprises freehold land and buildings. The fair value of the investment property has been arrived at on the basis of a valuation carried out the directors.

On a historical cost basis, investment properties would have been included at £2,212,455 (2018 - £2,212,455).

**6 Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	1,421	1,115
Other debtors	3,722	4,956
	<u>5,143</u>	<u>6,071</u>

**7 Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	-	1,314
Taxation and social security	3,485	33,354
Other creditors	1,318,136	33,398
	<u>1,321,621</u>	<u>68,066</u>

**8 Provisions for liabilities**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Final salary pension scheme</b>		
At 1 April	-	634,500
Service cost for year (net)	-	500
Notional net cost/(return) on pension scheme	9,900	8,700
Remeasurement of fund assets and liabilities	1,213,039	(70,600)
	<u>1,222,939</u>	<u>573,100</u>
Contributions paid by company	(1,222,939)	(573,100)
At 31 March	<u>-</u>	<u>-</u>

**BRUF CONTRACT HOLDINGS LTD****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2019****9 Retirement benefit schemes**

	<b>2019</b>	<b>2018</b>
<b>Defined contribution schemes</b>	<b>£</b>	<b>£</b>
Charge to profit or loss in respect of defined contribution schemes	6,549	37,175
	<u>        </u>	<u>        </u>

**Defined benefit schemes**

The Company operates the Bruf Contract Holdings Limited Pension and Life Assurance Fund (1972) ("the Fund"), a UK registered trust based pension scheme that provides defined benefits. Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Trustee is responsible for running the Fund in accordance with the Fund's Trust Deed and Rules, which sets out its powers. The Trustee of the Fund are required to act in the best interests of the beneficiaries of the Fund.

There are two categories of pension scheme members:

- Deferred members: former active members of the Fund and not yet in receipt of a pension
- Pensioner members: in receipt of pension.

The Trustee is required to commission an actuarial valuation of the Fund every three years. The last actuarial valuation was performed by the Scheme Actuary for the Trustee as at 1 April 2016. This valuation revealed a funding shortfall of £556,000. In order to address this shortfall, the Company agreed to pay £70,936 per annum in monthly instalments for 6 years and 1 month, increasing by 3% each April. The company therefore has a theoretical remaining commitment at 1 April 2019 of £239,587. However, following payments totalling £1,222,939 to the Scheme Trustee in the year and the fact that since the year-end the Scheme Trustee has contracted with Aviva to buy out the Scheme's liabilities, the company does not expect to pay any further contributions in the year ending 31 March 2020 or thereafter.

<i>Key assumptions</i>	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Discount rate	2.3%	2.6%
RPI inflation	3.5%	3.4%
CPI inflation	2.5%	2.4%
	<u>        </u>	<u>        </u>

*Mortality assumptions*

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
Assumed life expectations on retirement at age 65:		
For an individual aged 65 in 2019		
- Males	21.6	22.0
- Females	23.3	23.9
	<u>        </u>	<u>        </u>
For an individual aged 45 in 2019		
- Males	22.9	23.4
- Females	24.8	25.4
	<u>        </u>	<u>        </u>

The actual return on plan assets was £89,200 (2018 - £301,300). The overall movement in the fund's value was (£1,243,139) and the difference of £1,332,339 comprises payments to the fund by the company to facilitate the buyout of the scheme's liabilities of £1,222,939, actuarial losses of £128,600 and a reduction in the fund's net assets of £238,000.

**BRUF CONTRACT HOLDINGS LTD**

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

**FOR THE YEAR ENDED 31 MARCH 2019**

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**10 Called up share capital**

	<b>2019</b>	<b>2018</b>
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100,000 Ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

**11 Parent company**

The company is a subsidiary of BCHL Investments Limited, whose registered address is Wadebridge House, 16 Wadebridge Square, Poundbury, Dorchester, Dorset, DT1 3AQ.

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