

EMERY BROTHERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

EMERY BROTHERS LIMITED

COMPANY INFORMATION

Directors

D R Blackman
J R Emery
S G Emery
A K Gregory (resigned 25 September 2020)
R J Griffin (appointed 15 July 2019)
O J Norton (resigned 15 May 2020)
P W Rendell
M H Stewart
R J Waldron

Registered number

08089338

Registered office

Bathford Works, 34 Box Rd Bath
Bath
BA1 7QH

EMERY BROTHERS LIMITED

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Independent Auditors' Report	4 - 6
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Statement of Cash Flows	10 - 11
Notes to the Financial Statements	12 - 25

EMERY BROTHERS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The directors present the strategic report for the year ended 31st December 2019.

Business review

The company's principal activity is that of building contractors and joinery manufacturers in Bath and the surrounding areas. In addition, the company has part ownership in a property development company.

Principal risks and uncertainties

The main risks to the company's prosperity remain the variability of consumer demand and any downturn in the construction sector.

With uncertainty surrounding Brexit the company had secured some longer-term projects which will run through until early 2021.

The advent of the Covid-19 pandemic early in 2020 has added further uncertainty to the market, forcing an industry shutdown in March/April/early May of 2020 which will have a negative impact on the company's 2020 turnover and profit margins. The company is maintaining tight control on bank balances and regularly chases debts and follows up on retention monies.

Key performance indicators

The directors consider that the company's key performance indicators are turnover, gross and net operating margins, which combined, illustrate the strength of the company and its financial performance.

In the financial year to December 2019 turnover rose by 19% (£2.76million) and gross margin rose by £126,750, the net margin rose from -0.202% to 0.745%.

Turnover and profit are in line with expectations. It continues to build its working capital and consolidate its position as a regional contractor.

This report was approved by the board on 22 December 2020 and signed on its behalf.

J R Emery
Director

EMERY BROTHERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Results and dividends

The profit for the year, after taxation, amounted to £127,332 (2018 - loss £25,290).

Directors

The directors who served during the year were:

D R Blackman
J R Emery
S G Emery
A K Gregory (resigned 25 September 2020)
R J Griffin (appointed 15 July 2019)
O J Norton (resigned 15 May 2020)
P W Rendell
M H Stewart
R J Waldron

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

EMERY BROTHERS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Post balance sheet events

The Covid 19 pandemic in 2020 caused a short break in activities, leading to a temporary fall in turnover and profit margin, as noted in the strategic report.

This report was approved by the board on 22 December 2020 and signed on its behalf.

J R Emery

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMERY BROTHERS LIMITED

Opinion

We have audited the financial statements of Emery Brothers Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMERY BROTHERS LIMITED (CONTINUED)

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

EMERY BROTHERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMERY BROTHERS LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

Catherine Edwards BSc ACA (Senior Statutory Auditor)

for and on behalf of
Richardson Swift Audit Limited

Statutory Auditors

11 Laura Place
Bath
BA2 4BL

22 December 2020

EMERY BROTHERS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Turnover	4	17,324,970	14,566,395
Cost of sales		(15,969,656)	(13,337,832)
Gross profit		1,355,314	1,228,563
Administrative expenses		(1,211,926)	(1,283,799)
Other operating income	5	24,396	31,424
Operating profit/(loss)	6	167,784	(23,812)
Interest receivable and similar income	10	129	436
Interest payable and expenses	11	(1,954)	(5,404)
Profit/(loss) before tax		165,959	(28,780)
Tax on profit/(loss)	12	(38,627)	3,490
Profit/(loss) for the financial year		127,332	(25,290)
Other comprehensive income for the year			
Total comprehensive income for the year		127,332	(25,290)

The notes on pages 12 to 25 form part of these financial statements.

EMERY BROTHERS LIMITED
REGISTERED NUMBER: 08089338

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	14	-	5,000
Tangible assets	15	283,263	304,279
Investments	16	51,000	51,000
		<hr/>	<hr/>
		334,263	360,279
Current assets			
Stocks	17	1,436,814	1,278,681
Debtors: amounts falling due within one year	18	948,386	1,011,618
Cash at bank and in hand		813,764	657,457
		<hr/>	<hr/>
		3,198,964	2,947,756
Creditors: amounts falling due within one year	19	(2,232,604)	(2,055,529)
		<hr/>	<hr/>
Net current assets		966,360	892,227
		<hr/>	<hr/>
Total assets less current liabilities		1,300,623	1,252,506
Creditors: amounts falling due after more than one year	20	(48,461)	(59,769)
Provisions for liabilities			
Deferred tax	21	(53,820)	(51,727)
		<hr/>	<hr/>
		(53,820)	(51,727)
		<hr/>	<hr/>
Net assets		1,198,342	1,141,010
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	22	140	140
Share premium account		11,966	11,966
Profit and loss account		1,186,236	1,128,904
		<hr/>	<hr/>
		1,198,342	1,141,010
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 December 2020.

J R Emery
Director

S G Emery
Director

The notes on pages 12 to 25 form part of these financial statements.

EMERY BROTHERS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2018	140	11,966	1,192,554	1,204,660
Loss for the year	-	-	(25,290)	(25,290)
Dividends: Equity capital	-	-	(38,360)	(38,360)
At 1 January 2019	140	11,966	1,128,904	1,141,010
Profit for the year	-	-	127,332	127,332
Dividends: Equity capital	-	-	(70,000)	(70,000)
At 31 December 2019	<u>140</u>	<u>11,966</u>	<u>1,186,236</u>	<u>1,198,342</u>

The notes on pages 12 to 25 form part of these financial statements.

EMERY BROTHERS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
Cash flows from operating activities		
Profit/(loss) for the financial year	127,332	(25,290)
Adjustments for:		
Amortisation of intangible assets	5,000	10,000
Depreciation of tangible assets	102,839	102,081
Loss on disposal of tangible assets	4,595	3,596
Government grants	(15,726)	(28,424)
Interest paid	1,954	5,404
Interest received	(129)	(436)
Taxation charge	38,627	(3,490)
(Increase) in stocks	(158,133)	(584,567)
Decrease in debtors	56,365	862,099
(Increase) in amounts owed by groups	(33)	(13)
Increase/(decrease) in creditors	652,951	(402,389)
(Decrease)/increase in amounts owed to groups	(511,418)	410,070
Corporation tax received/(paid)	6,900	(103,335)
Net cash generated from operating activities	311,124	245,306
Cash flows from investing activities		
Purchase of tangible fixed assets	(88,085)	(123,774)
Sale of tangible fixed assets	1,667	-
Government grants received	15,726	28,424
Interest received	129	436
HP interest paid	(1,954)	(4,635)
Net cash from investing activities	(72,517)	(99,549)
Cash flows from financing activities		
Repayment of/new finance leases	(12,300)	61,692
Dividends paid	(70,000)	(38,360)
Interest paid	-	(769)
Net cash used in financing activities	(82,300)	22,563
Net increase in cash and cash equivalents	156,307	168,320
Cash and cash equivalents at beginning of year	657,457	489,137
Cash and cash equivalents at the end of year	813,764	657,457
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	813,764	657,457

EMERY BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Emery Brothers Limited is a company limited by shares incorporated in England and Wales. The registered office is Bathford Works, 34 Box Road, Bath, BA1 7QH and the company number is 08089338.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

Whilst the business has been affected by the worldwide Covid 19 pandemic, causing a cessation of business activities for 6-8 weeks, measures have been put in place to allow the business to continue trading and meeting its contractual obligations. Finances have been carefully managed and its reserves have not been affected during this time.

On this basis the board of directors are confident the business continues to be a viable ongoing concern and the financial statements are prepared on the going concern basis.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Company as lessee

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probably that total costs will exceed total contract turnover, the expected loss is recognised as a loss immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

The 'percentage of completion' method is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Cost incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.11 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	5	years
----------	---	---	-------

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as follows.

Depreciation is provided on the following basis:

Motor vehicles	-	25%	Reducing balance
Fixtures and fittings	-	33%	Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.16 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting policies are recognised in the period in which the estimate is revised and where the revision affect only that period, or in the period of revision and future periods where the revision affects both current and future periods.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Turnover	17,324,970	14,566,395
	<u>17,324,970</u>	<u>14,566,395</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	17,324,970	14,566,395
	<u>17,324,970</u>	<u>14,566,395</u>

5. Other operating income

	2019 £	2018 £
Government grants receivable	15,726	28,424
Sundry income	8,670	3,000
	<u>24,396</u>	<u>31,424</u>

6. Operating profit/(loss)

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

	2019 £	2018 £
Other operating lease rentals	<u>80,112</u>	<u>81,814</u>

EMERY BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

7. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>10,000</u>	<u>10,000</u>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	2,945,105	3,239,293
Social security costs	273,571	295,782
Cost of defined contribution scheme	78,205	72,667
	<u>3,296,881</u>	<u>3,607,742</u>

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

	2019 No.	2018 No.
Management	9	8
Administration	17	16
Workforce	75	89
	<u>101</u>	<u>113</u>

9. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	409,949	379,733
Company contributions to defined contribution pension schemes	33,996	28,536
	<u>443,945</u>	<u>408,269</u>

During the year retirement benefits were accruing to 7 directors (2018 - 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £66,651 (2018 - £70,249).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,636 (2018 - £6,636).

EMERY BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10. Interest receivable

	2019 £	2018 £
Other interest receivable	129	436
	<u>129</u>	<u>436</u>

11. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	-	769
Finance leases and hire purchase contracts	1,954	4,635
	<u>1,954</u>	<u>5,404</u>

12. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	36,534	-
Adjustments in respect of previous periods	-	(6,899)
	<u>36,534</u>	<u>(6,899)</u>
Total current tax	<u>36,534</u>	<u>(6,899)</u>
Deferred tax		
Origination and reversal of timing differences	2,093	3,409
	<u>2,093</u>	<u>3,409</u>
Total deferred tax	<u>2,093</u>	<u>3,409</u>
Taxation on profit/(loss) on ordinary activities	<u>38,627</u>	<u>(3,490)</u>

EMERY BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>165,959</u>	<u>-</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	31,532	-
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	59	-
Capital allowances for year in excess of depreciation	4,943	-
Deferred tax	2,093	3,409
Adjustments to tax charge in respect of prior periods	-	(6,899)
Total tax charge for the year	<u>38,627</u>	<u>(3,490)</u>

13. Dividends

	2019 £	2018 £
Dividends on A Ordinary shares	48,000	26,304
Dividends on B Ordinary shares	22,000	12,056
	<u>70,000</u>	<u>38,360</u>

EMERY BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

14. Intangible assets

	Goodwill £
Cost	
At 1 January 2019	50,000
	<hr/>
At 31 December 2019	50,000
	<hr/>
Amortisation	
At 1 January 2019	45,000
Charge for the year on owned assets	5,000
	<hr/>
At 31 December 2019	50,000
	<hr/>
Net book value	
At 31 December 2019	-
	<hr/>
At 31 December 2018	5,000
	<hr/>

EMERY BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

15. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2019	668,602	21,953	690,555
Additions	82,480	5,605	88,085
Disposals	(24,350)	-	(24,350)
At 31 December 2019	<u>726,732</u>	<u>27,558</u>	<u>754,290</u>
Depreciation			
At 1 January 2019	370,175	16,101	386,276
Charge for the year on owned assets	95,227	7,612	102,839
Disposals	(18,088)	-	(18,088)
At 31 December 2019	<u>447,314</u>	<u>23,713</u>	<u>471,027</u>
Net book value			
At 31 December 2019	<u>279,418</u>	<u>3,845</u>	<u>283,263</u>
At 31 December 2018	<u>298,427</u>	<u>5,852</u>	<u>304,279</u>

Fixed assets carrying a net book value of £76,708 (2018 - £91,132) are held under HP agreements.

16. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	51,000
At 31 December 2019	<u>51,000</u>

EMERY BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding
Bathford Limited	A shares	49 %

17. Stocks

	2019 £	2018 £
Raw materials and consumables	15,000	15,000
Long term contract balances	1,421,814	1,263,681
	<u>1,436,814</u>	<u>1,278,681</u>

Long term contract balances consist of:

	2019 £	2018 £
Costs to date less provision for losses	1,421,814	1,263,681
	<u>1,421,814</u>	<u>1,263,681</u>

18. Debtors

	2019 £	2018 £
Trade debtors	874,590	945,718
Amounts owed by group undertakings	46	13
Other debtors	61,522	53,659
Prepayments and accrued income	12,228	12,228
	<u>948,386</u>	<u>1,011,618</u>

EMERY BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

19. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	1,381,721	991,042
Amounts owed to group undertakings	-	511,418
Corporation tax	36,534	-
Other taxation and social security	216,605	265,413
Obligations under finance lease and hire purchase contracts	29,307	30,299
Other creditors	143,734	154,504
Accruals and deferred income	424,703	102,853
	<u>2,232,604</u>	<u>2,055,529</u>

20. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	48,461	59,769
	<u>48,461</u>	<u>59,769</u>

Obligations under hire purchase contracts are secured on the assets concerned and are all repayable in less than five years.

21. Deferred taxation

	2019 £
At beginning of year	(51,727)
Charged to profit or loss	(2,093)
At end of year	<u><u>(53,820)</u></u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(53,820)	(51,727)
	<u><u>(53,820)</u></u>	<u><u>(51,727)</u></u>

EMERY BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

22. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
96 (2018 - 96) A shares of £1.00 each	96	96
44 (2018 - 44) B shares of £1.00 each	44	44
	<hr/>	<hr/>
	140	140

A and B shares rank pari passu, except that on a poll each holder of A shares has two votes for each A share held and each holder of B shares has one vote for each B share held.

23. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2019 £	2018 £
Not later than 1 year	70,000	72,400
Later than 1 year and not later than 5 years	40,833	110,833
	<hr/>	<hr/>
	110,833	183,233

24. Related party transactions

At the year end, the company owed £Nil (2018 - £511,418) to a company with directors and shareholders in common control with Emery Brothers Limited.

At the year end, the company was owed £110,281 (2018 - £Nil) by a company of which Emery Brothers Limited has a subsidiary undertaking.

During the year the company paid £70,000 (2018 - £70,000) to a pension fund of which some the directors of Emery Brothers Limited are trustees.

During the year rent of £9,600 (2018 - £9,600) was paid to an LLP of which some of the directors at Emery Brothers Limited are partners.

Included within work in progress is £96,000 (2018 - £94,000) relating to work on properties owned by the directors.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.