

Registered number: 00698976

MUMFORD AND WOOD LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



MUMFORD AND WOOD LIMITED

COMPANY INFORMATION

DIRECTORS

T R Wakeman
R J Haycocks
J Pengelly
O T Dare (resigned 31 January 2018)
D L Panting

REGISTERED NUMBER

00698976

REGISTERED OFFICE

Tower Business Park
Kelvedon Road
Tiptree
Essex
CO5 0LX

INDEPENDENT AUDITORS

Price Bailey LLP
Chartered Accountants & Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

MUMFORD AND WOOD LIMITED

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MUMFORD AND WOOD LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

INTRODUCTION

This is a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. The review is consistent with the size and nature of our business and is written in the context of the opportunities, risks and uncertainties we face in the rapidly changing market place.

The principal activity of the company continued to be that of a premium British timber window and door manufacturer.

BUSINESS REVIEW

The Company is the leading British brand for premium, made to measure, timber windows and doors manufactured in Britain.

Given the major restructuring over the past two years the business is well placed to see returns as we enter 2019 and beyond. 2017 saw the benefits of a strong order book and considerably reduced cost based. Year two of the strategy saw 2018 reshape the front end of the business and set about strengthening the sales team.

Market conditions became a factor with the competition introducing unsustainable price points into the market and reduced volumes in the business.

The Manufacturing Excellence programme continued within the business, 5S and Autonomous Maintenance and Focussed Improvement, which has proven to be hugely beneficial with real time cost savings and efficiencies realised. The business is committed in its continued support of these methodologies that are now becoming habitual across the production facility.

PRINCIPAL RISKS AND UNCERTAINTIES

Management continue to monitor risks to the business. The key business risks to the company continue to be competition and economic conditions.

Given that the total UK market imports approximately 30% of fenestration products, any increased costs resulting from Brexit negotiations, potentially gives rise to a more competitive, UK manufactured offer, from Mumford & Wood.

FINANCIAL KEY PERFORMANCE INDICATORS

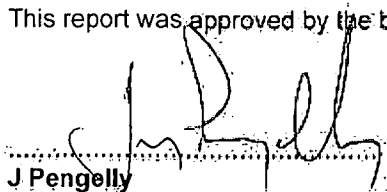
The management team continue to monitor a variety of Key Performance Indicators (KPIs) across the business. The main KPIs are turnover and gross margin.

Turnover for the year was £6,673,492 (2017: £7,945,581) and this lower volume inhibited the full absorption of costs, driving down gross margin to 31.1% (2017: 37.9%). Restoring higher volumes will be a key area of action for management as they look to restore profitability.

This report was approved by the board on

1 / 10 / 2019

and signed on its behalf.


J Pengelly
Director

MUMFORD AND WOOD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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

PRINCIPAL ACTIVITY

The principal activity of the company continued to be that of British timber window and door manufacturers, specialising in sash windows.

DIRECTORS

The directors who served during the year were:

T R Wakeman
R J Haycocks
J Pengelly
O T Dare (resigned 31 January 2018)
D L Panting

RESULTS

The loss for the year, after taxation, amounted to £512,755 (2017 - loss £186,769).

FUTURE DEVELOPMENTS

Mumford and Wood Limited is a leading British manufacturer of high quality timber windows and doors and as such the business is well placed to see returns as we enter 2019 and beyond.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

MUMFORD AND WOOD LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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.

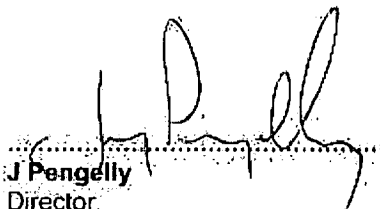
AUDITORS

Under section 487(2) of the Companies Act 2006, Price Bailey LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on

1/10/2019

and signed on its behalf.


J Pengelly
Director

MUMFORD AND WOOD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MUMFORD AND WOOD LIMITED

OPINION

We have audited the financial statements of Mumford and Wood Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and 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 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

MUMFORD AND WOOD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MUMFORD AND WOOD LIMITED (CONTINUED)

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.

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.

MUMFORD AND WOOD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MUMFORD AND WOOD LIMITED (CONTINUED)

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.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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, as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Cullen FCCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 1 - 10 - 2019

MUMFORD AND WOOD LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	4	6,673,492	7,945,581
Cost of sales		(4,598,273)	(4,934,664)
GROSS PROFIT		2,075,219	3,010,917
Administrative expenses		(2,550,102)	(3,001,592)
Exceptional other operating charges	11	-	(141,327)
OPERATING LOSS	5	(474,883)	(132,002)
Interest payable and similar charges	9	(37,872)	(54,767)
LOSS BEFORE TAX		(512,755)	(186,769)
Tax on loss	10	-	-
LOSS FOR THE FINANCIAL YEAR		(512,755)	(186,769)

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£NIL).

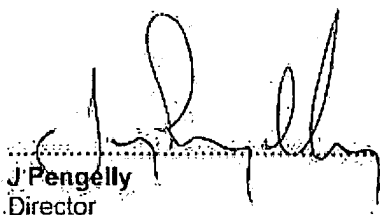
The notes on pages 10 to 22 form part of these financial statements.

MUMFORD AND WOOD LIMITED
REGISTERED NUMBER: 00698976

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	12	3,128,917	3,428,323
CURRENT ASSETS			
Stocks	13	332,742	418,468
Debtors: amounts falling due within one year	14	4,790,685	4,948,350
Cash at bank and in hand	15	117,954	748,077
		<u>5,241,381</u>	<u>6,114,895</u>
Creditors: amounts falling due within one year	16	(3,509,197)	(3,962,678)
NET CURRENT ASSETS		<u>1,732,184</u>	<u>2,152,217</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,861,101</u>	<u>5,580,540</u>
Creditors: amounts falling due after more than one year	17	(183,002)	(389,686)
NET ASSETS		<u><u>4,678,099</u></u>	<u><u>5,190,854</u></u>
CAPITAL AND RESERVES			
Called up share capital	21	10,000	10,000
Revaluation reserve	20	1,140,700	1,142,524
Profit and loss account	20	3,527,399	4,038,330
		<u><u>4,678,099</u></u>	<u><u>5,190,854</u></u>

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


J. Pengelly
 Director

1/10/2019

MUMFORD AND WOOD LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	10,000	1,142,524	4,038,330	5,190,854
COMPREHENSIVE INCOME FOR THE YEAR				
Loss for the year	-	-	(512,755)	(512,755)
Transfer to/(from) profit and loss account	-	(1,824)	1,824	-
AT 31 DECEMBER 2018	<u>10,000</u>	<u>1,140,700</u>	<u>3,527,399</u>	<u>4,678,099</u>

The notes on pages 10 to 22 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	10,000	1,144,216	4,223,407	5,377,623
COMPREHENSIVE INCOME FOR THE YEAR				
Loss for the year	-	-	(186,769)	(186,769)
Transfer to/(from) profit and loss account	-	(1,692)	1,692	-
AT 31 DECEMBER 2017	<u>10,000</u>	<u>1,142,524</u>	<u>4,038,330</u>	<u>5,190,854</u>

The notes on pages 10 to 22 form part of these financial statements.

MUMFORD AND WOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION

Mumford and Wood Limited is a private company limited by shares incorporated in England and Wales, United Kingdom. The address of the registered office is given in the company information of these financial statements. The nature of the Company's operations and principle activities are given in the Directors' Report on pages 3 and 4.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold property and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. The financial statements are presented in sterling (£) and rounded to the nearest pound.

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

The company is reliant upon the continued financial support from its shareholders. The directors are confident that the shareholders have the intention and ability to provide the support needed, as evidenced by the letter of support provided by the major shareholder. The directors consider it appropriate to continue to prepare the financial statements on a going concern basis and no adjustments have been made should this basis not be applied.

2.3 TURNOVER

Turnover is recognised in the financial statements on the date of dispatch as the directors believe this to be the earliest date the significant risks and rewards of ownership have transferred to the buyer.

In the rare event where the customer cannot take delivery of the product, turnover is recognised in full on the original proposed delivery date. The terms and conditions of sale state that the product becomes the customers responsibility at this date and therefore the risks and rewards of ownership have transferred.

The Company takes deposits in advance. These deposits are included in deferred income until dispatch of the product at which point the income is released to the statement of comprehensive income.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

MUMFORD AND WOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.4 CASH FLOW EXEMPTION

The Company, being a subsidiary undertaking whose parent company prepares consolidated financial statements which are publicly available, is exempt from the requirement to draw up a cash flow statement.

2.5 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Land is not depreciated..

Depreciation is provided on the following basis:

Freehold property	-	2% on cost
Plant and machinery	-	20% on cost or 20% reducing balance
Office equipment	-	33% on cost or 20% on reducing balance
Showroom	-	33% on cost

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 the Statement of Comprehensive Income.

2.6 REVALUATION OF TANGIBLE FIXED ASSETS

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

MUMFORD AND WOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.7 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to the Statement of Comprehensive Income 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.8 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.

2.9 DEBTORS

Short term debtors are measured at transaction price, less any impairment.

2.10 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 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 non-puttable 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.

2.12 CREDITORS

Short term creditors are measured at the transaction price.

2.13 FINANCE COSTS

Finance costs are charged to the Statement of Comprehensive Income 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.

MUMFORD AND WOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.14 LEASED ASSETS: THE COMPANY AS LESSEE

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 Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.15 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 the Statement of Comprehensive Income 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.

2.16 HOLIDAY PAY ACCRUAL

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

2.17 INTEREST INCOME

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.18 EXCEPTIONAL ITEMS

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

MUMFORD AND WOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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 significant judgements, estimates and assumptions. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

Estimates and judgements are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

Details of the company's significant accounting judgements and critical accounting estimates include:

Tangible fixed assets

Each year the Company reviews the estimated useful lives and residual values of tangible fixed assets and these are adjusted if appropriate. The depreciation rates are calculated according to the useful economic life that management believe to be appropriate based on the nature of the asset in operation.

Impairment of stock and work in progress

Management have assessed the need to write off or provide against any specific items based on the levels held at period end and the expected sales of such items in the immediate period post year end. Management take into account historic sales data at the date the estimate is made.

Impairment of trade debtors

The recoverability of trade debtors has been assessed at the year end and up until the date of signing these financial statements. Management have based the decision to provide for any amounts based on their judgement of all the available information and their experience of the specific nature of the trade debtor in question.

Categorising leases

In categorising leases as finance leases or operating leases, management makes judgements to whether significant risks and rewards of ownership to the company as lessee.

4. TURNOVER

The whole of the turnover is attributable to the sale of British manufactured timber windows and doors.

All turnover arose within the United Kingdom.

5. OPERATING LOSS

The operating loss is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	364,234	443,121
Operating lease rentals	132,357	180,996
Defined contribution pension cost	65,911	94,812

MUMFORD AND WOOD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. AUDITORS' REMUNERATION

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	13,250	13,250

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

7. EMPLOYEES

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

	2018 £	2017 £
Wages and salaries	2,377,439	2,859,033
Social security costs	222,903	268,592
Cost of defined contribution scheme	65,911	94,812
	<u>2,666,253</u>	<u>3,222,437</u>

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

	2018 No.	2017 No.
Directors	4	6
Administration and production	86	96
	<u>90</u>	<u>102</u>

8. DIRECTORS' REMUNERATION

	2018 £	2017 £
Directors' emoluments	102,752	81,232
Company contributions to defined contribution pension schemes	6,162	3,338
	<u>108,914</u>	<u>84,570</u>

During the year retirement benefits were accruing to 2 directors (2017 - 2) in respect of defined contribution pension schemes.

MUMFORD AND WOOD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £	2017 £
Finance leases and hire purchase contracts	37,872	54,767

10. TAXATION

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Loss on ordinary activities before tax	(512,755)	(186,769)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	(97,423)	(35,953)

EFFECTS OF:

Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2	20
Capital allowances for year in excess of depreciation	49,276	49,557
Utilisation of tax losses	-	(16,076)
Changes in provisions leading to an increase (decrease) in the tax charge	(10,954)	2,452
Group relief	59,099	-
TOTAL TAX CHARGE FOR THE YEAR	-	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Company has estimated total losses of £2,459,000 (2017 - £1,689,000) consisting of £2,313,000 (2017 - £1,543,000) trade losses and £146,000 (2017 - £146,000) capital losses, available for carry forward against future profits. The potential deferred tax asset arising on these losses amounted to £467,210 (2017 - £320,910). This has not been recognised in the financial statements due to the uncertainty over when such losses will be utilised.

MUMFORD AND WOOD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

11. EXCEPTIONAL ITEMS

	2018 £	2017 £
Group reconstruction costs	-	141,327

Following the reorganisation of the group, specific costs including redundancy and integration costs have been included as exceptional items.

12. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Office equipment £	Other fixed assets £	Total £
COST OR VALUATION					
At 1 January 2018	2,300,000	3,475,186	735,011	82,491	6,592,688
Additions	8,713	30,720	25,395	-	64,828
At 31 December 2018	2,308,713	3,505,906	760,406	82,491	6,657,516
DEPRECIATION					
At 1 January 2018	24,664	2,465,874	619,345	54,482	3,164,365
Charge for the year on owned assets	24,795	106,589	51,857	13,740	196,981
Charge for the year on financed assets	-	167,253	-	-	167,253
At 31 December 2018	49,459	2,739,716	671,202	68,222	3,528,599
NET BOOK VALUE					
At 31 December 2018	2,259,254	766,190	89,204	14,269	3,128,917
At 31 December 2017	2,275,336	1,009,312	115,666	28,009	3,428,323

MUMFORD AND WOOD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. TANGIBLE FIXED ASSETS (CONTINUED)

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

	2018 £	2017 £
Plant and machinery	421,534	600,365

Included within Freehold property is land of £445,500 (2017 - £445,500) which is not depreciated.

The Company's freehold properties were professionally valued as at December 2016 by an External Valuer, Whybrow Limited, Chartered Surveyors. The valuations were undertaken in accordance with the requirements of the RICS Valuation - Professional Standards (January 2014 Edition).

The properties were valued at fair value which is market based. It is the opinion of the directors that the current carrying value of the freehold properties is not materially different to fair value as at 31 December 2018.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2018 £	2017 £
Cost	1,537,378	1,537,378
Accumulated depreciation	(421,541)	(350,936)
NET BOOK VALUE	1,115,837	1,186,442

13. STOCKS

	2018 £	2017 £
Raw materials and consumables	267,901	251,737
Work in progress (goods to be sold)	64,841	166,731
	332,742	418,468

MUMFORD AND WOOD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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14. DEBTORS

	2018 £	2017 £
Trade debtors	242,661	238,823
Amounts owed by group undertakings	4,391,931	4,609,881
Other debtors	-	712
Prepayments and accrued income	156,093	98,934
	<u>4,790,685</u>	<u>4,948,350</u>

15. CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	<u>117,954</u>	<u>748,077</u>

16. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	563,562	497,831
Amounts owed to group undertakings	2,278,136	2,238,381
Other taxation and social security	161,546	228,598
Obligations under finance lease and hire purchase contracts	206,684	195,185
Other creditors	29,711	44,405
Accruals and deferred income	269,558	758,278
	<u>3,509,197</u>	<u>3,962,678</u>

17. CREDITORS: Amounts falling due after more than one year

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	<u>183,002</u>	<u>389,686</u>

MUMFORD AND WOOD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

18. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	206,684	195,185
Between 1-5 years	183,002	206,684
Over 5 years	-	183,002
	<u>389,686</u>	<u>584,871</u>

Certain plant and machinery are held under finance lease arrangements. Finance lease liabilities are secured by the related assets held under finance leases (see note 11).

19. FINANCIAL INSTRUMENTS

	2018 £	2017 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	117,954	748,077
Financial assets that are debt instruments measured at amortised cost	<u>4,634,591</u>	<u>4,849,416</u>
	<u>4,752,545</u>	<u>5,597,493</u>

FINANCIAL LIABILITIES

Financial liabilities measured at amortised cost	<u>(3,112,004)</u>	<u>(3,365,488)</u>
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Financial assets measured at fair value through profit or loss comprise comprise of cash and cash equivalents.

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, obligations under finance lease and hire purchase contracts and other creditors.

20. RESERVES

Revaluation reserve

The revaluation reserve represents the cumulate effect of revaluations of tangible fixed assets where a policy of revaluation has been adopted.

Profit and loss account

Includes all current and prior period retained profits and losses.

MUMFORD AND WOOD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

21. SHARE CAPITAL

	2018 £	2017 £
Allotted, called up and fully paid		
10,000 (2017 - 10,000) Ordinary shares of £1.00 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

22. CONTINGENT LIABILITIES

Intercompany bank guarantees have been given to the Performance Timber Products Group Limited and its subsidiaries. Security is held on the freehold property of Mumford and Wood Limited. The amount of this guarantee as at 31 December 2018 is £1,172,600 (2017 - £1,288,389).

23. 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 £65,911 (2017 - £94,812). Contributions totaling £17,889 (2017 - £23,356) were payable to the fund at the balance sheet date.

24. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	81,714	102,759
Later than 1 year and not later than 5 years	125,689	42,993
	<u>207,403</u>	<u>145,752</u>

25. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption from the requirement to disclose transactions with wholly owned group companies.

During the year the company paid subscription fees of £18,976 (2017 - £18,796) to The British Woodworking Federation, a company of which T R Wakeman is a director.

The amount due to them at the year end was £7,340 (2017 - £6,848).

The gross remuneration of key management and personnel is £108,914 (2017 - £84,570).

MUMFORD AND WOOD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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26. CONTROLLING PARTY

The parent undertaking is The Performance Window Group Limited, a company registered in England and Wales.

The ultimate controlling party is Performance Timber Products Group Limited, a company registered in England and Wales.

Consolidated financial statements for Performance Timber Products Group Limited can be obtained from Tower Business Park, Kelvedon Road, Tiptree, Essex, CO5 0LX.