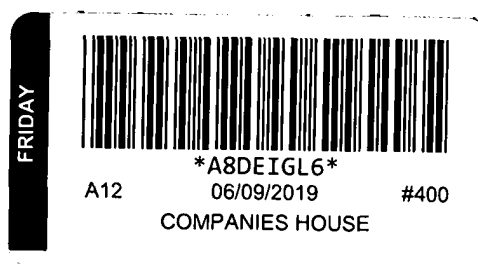


## R N WOOLER &amp; COMPANY LIMITED

## FINANCIAL STATEMENTS

31 DECEMBER 2018

**ArmstrongWatson®**

Accountants, Business &amp; Financial Advisers

**R N WOOLER & COMPANY LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	R N Wooler M A Wooler A G Wooler G D Wooler G Sollitt
<b>Company secretary</b>	S Clarkson
<b>Registered number</b>	01933071
<b>Registered office</b>	Florence House Lawkholme Business Park Lawkholme Lane Keighley BD21 3LA
<b>Independent auditors</b>	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditor Number 3 Acorn Business Park Airedale Business Centre Skipton North Yorkshire BD23 2UE
<b>Bankers</b>	Barclays Bank plc Keighley West Yorkshire BD21 3RZ
<b>Solicitors</b>	AWB Charlesworth LLP 12-16 North Street Keighley West Yorkshire BD21 3SE

# **R N WOOLER & COMPANY LIMITED**

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**R N WOOLER & COMPANY LIMITED**

**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**Introduction**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2018.

**Business review**

The principal activity of the company for the year under review was that of building and construction engineers and the company trades from their registered office at Florence House, Lawkholme Business Park, Lawkholme Lane, Keighley, BD21 3LA.

The directors aim to present a balanced and comprehensive review of the development and performance of the business during the year and the company's position at the year end. The review is consistent with the size and nature of the business and is written in the context of the risks and uncertainties faced.

**Principal risks and uncertainties**

The business environment in which the company operates continues to be challenging. The building industry in the UK is highly competitive and the risk of raw material price increases continues to be a principal risk for the business. The company manages such risks by appropriate quality and service programmes and through negotiated agreements with its major suppliers.

With these risks and uncertainties in mind, the directors are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

**Financial risk**

The company's operations expose it to a variety of financial risks that include the effect of changes in credit, liquidity and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company. The company does not use derivative financial instruments to manage interest rate costs.

**Credit risk**

The company has implemented policies that require appropriate credit checks on corporate customers before sales are made.

**Liquidity risk**

The directors believe that the company has sufficient funds available to support its activities in the future.

**R N WOOLER & COMPANY LIMITED**

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

**Financial key performance indicators**

The directors consider the key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, being turnover, gross margin and profitability before taxation.

During the year turnover has decreased by £9,629,635 (14%) from £68,172,893 in 2017 to £58,543,258 in 2018. The directors have scaled back operational turnover levels during the year from those achieved in the company's record year in 2017. The directors have put in place strategies to maintain turnover levels at those consistent with 2018 in future years. 2017 also saw large one off contracts in both the commercial and private sectors.

Gross profit has increased from £5,963,488 in 2017 to £6,050,971 in 2018 and the directors are pleased with the increase in the gross profitability margins compared with 2017.

Overall, profit before taxation has decreased from £2,724,212 in 2017 to £1,795,517 in 2018 as a result of increased overheads. These are mainly personnel costs as employment costs continue to increase year on year and the directors are confident that certain of these will not be repeated in the 2019 year.

After taxation and dividends, shareholders funds have increased from £11,027,373 to £12,362,242 at the year end which continues to demonstrate the strong growth and strength of the company as a whole.

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



**R N Wooler**

Director

Date: 09/08/2019

# **R N WOOLER & COMPANY 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.

### **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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 £1,334,869 (2017 - £2,183,004).

The directors have not recommended a final dividend.

### **Directors**

The directors who served during the year were:

R N Wooler  
M A Wooler  
A G Wooler  
G D Wooler  
G Sollitt

### **Future developments**

The directors are not expecting to make any significant changes in the nature of the business in the near future.

## **R N WOOLER & COMPANY LIMITED**

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

#### **Employee involvement**

It is company policy that employees should be kept as fully informed as practical concerning the activities of the company.

The company recognises the high standards required to ensure the health, safety and welfare of its employees at work, its customers and the general public. Company policies in this regard are regularly reviewed with the object of ensuring that these standards are achieved.

#### **Disabled employees**

The company is an equal opportunities employer. Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. All disabled employees are eligible for training and promotion and, within limits of their disabilities, are given equal consideration with other applicants.

#### **Matters covered in the strategic report**

Information is not shown in the directors' report because it is shown in the strategic report instead under S414C (11). The strategic report includes a business review, principal risks and uncertainties and financial key performance indicators.

#### **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.

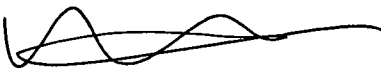
#### **Post balance sheet events**

There have been no significant events affecting the Company since the year end.

#### **Auditors**

Under section 487(2) of the Companies Act 2006, Armstrong Watson Audit Limited 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 accounts with the registrar, whichever is earlier.

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



**R N Wooler**

Director

Date: 09/08/2019

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF R N WOOLER & COMPANY LIMITED**

**Opinion**

We have audited the financial statements of R N Wooler & Company Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of income and retained earnings, the Statement of financial position 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 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 R N WOOLER & COMPANY 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 3, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**R N WOOLER & COMPANY LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF R N WOOLER & COMPANY LIMITED  
(CONTINUED)**

**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.

Rohan Day (Senior statutory auditor)  
for and on behalf of

**Armstrong Watson Audit Limited**

Chartered Accountants

Statutory Auditor

Skipton

Date:

9/8/19.

**R N WOOLER & COMPANY LIMITED**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	4	58,543,258	68,172,893
Cost of sales		(52,492,287)	(62,209,405)
<b>Gross profit</b>		<b>6,050,971</b>	5,963,488
Administrative expenses		(4,184,892)	(3,176,140)
<b>Operating profit</b>	5	<b>1,866,079</b>	2,787,348
Interest payable and expenses	8	(70,562)	(63,136)
<b>Profit before tax</b>		<b>1,795,517</b>	2,724,212
Tax on profit	9	(460,648)	(541,208)
<b>Profit after tax</b>		<b>1,334,869</b>	2,183,004
Retained earnings at the beginning of the year		11,026,873	8,843,869
Profit for the year		1,334,869	2,183,004
<b>Retained earnings at the end of the year</b>		<b>12,361,742</b>	11,026,873

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

The notes on pages 10 to 23 form part of these financial statements.

**R N WOOLER & COMPANY LIMITED**  
**REGISTERED NUMBER: 01933071**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	10	1,170,875	1,070,472
		<u>1,170,875</u>	<u>1,070,472</u>
<b>Current assets</b>			
Stocks	11	552,289	635,715
Debtors: amounts falling due within one year	12	22,214,917	20,642,479
Cash at bank and in hand		1,086,087	2,378,203
		<u>23,853,293</u>	<u>23,656,397</u>
Creditors: amounts falling due within one year	13	(11,620,854)	(12,740,034)
<b>Net current assets</b>		<u>12,232,439</u>	<u>10,916,363</u>
<b>Total assets less current liabilities</b>		<u>13,403,314</u>	<u>11,986,835</u>
Creditors: amounts falling due after more than one year	14	(977,072)	(887,462)
<b>Provisions for liabilities</b>			
Deferred tax	16	(64,000)	(72,000)
		<u>(64,000)</u>	<u>(72,000)</u>
<b>Net assets</b>		<u>12,362,242</u>	<u>11,027,373</u>
<b>Capital and reserves</b>			
Called up share capital	17	500	500
Profit and loss account		12,361,742	11,026,873
		<u>12,362,242</u>	<u>11,027,373</u>

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



**R N Wooler**  
Director

Date: 09/08/2019

The notes on pages 10 to 23 form part of these financial statements.

## **R N WOOLER & COMPANY LIMITED**

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

#### **1. General information**

R N Wooler & Company Limited is engaged in building and construction operating from their registered office located in Florence House, Lawkholme Business Park, Lawkholme Lane, Keighley, BD21 3LA.

The company is a limited liability company limited by shares incorporated and domiciled in the United Kingdom. The company is a tax resident in the United Kingdom.

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

#### **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 judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of R N Wooler & Co (Holdings) Limited as at 31 December 2018 and these financial statements may be obtained from Companies House, Cardiff, CF14 3UZ.

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

**2. Accounting policies (continued)**

**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:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**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 the Statement of income and retained earnings on a straight line basis over the lease term.

**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 the Statement of income and retained earnings 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 income and retained earnings in the same period as the related expenditure.

**2.6 Interest income**

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

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

**2. Accounting policies (continued)**

**2.7 Finance costs**

Finance costs are charged to the Statement of income and retained earnings 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 Borrowing costs**

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

**2.9 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 income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

**2.10 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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 reporting 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 Statement of financial position 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 reporting date.

**2.11 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.

## **R N WOOLER & COMPANY LIMITED**

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

#### **2. Accounting policies (continued)**

##### **2.11 Tangible fixed assets (continued)**

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:

Plant and machinery	-	15% on cost
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	15% 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 income and retained earnings.

##### **2.12 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 reporting 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.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

##### **2.13 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.14 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.



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

**2. Accounting policies (continued)**

**2.15 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.16 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 the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position 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 Statement of financial position.

**2.17 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 income and retained earnings.

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

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

The preparation of these financial statements requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will be, by definition, seldom equal to the related actual results.

Management estimate the stage of completion of long term contracts by comparing actual costs incurred to forecasts, relying on their past experience and expertise to ensure those estimates are accurate.

**4. Turnover**

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

All turnover arose within the United Kingdom.

**5. Operating profit**

The operating profit is stated after charging:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	<b>334,279</b>	343,395
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<b>15,000</b>	15,000
Other operating lease rentals	<b>69,145</b>	50,000
Defined contribution pension cost	<b>101,604</b>	57,136
	<u><b>519,028</b></u>	<u>465,531</u>

# **R N WOOLER & COMPANY LIMITED**

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

### **6. Employees**

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>10,269,233</b>	9,570,652
Social security costs	<b>943,394</b>	911,379
Cost of defined contribution scheme	<b>101,604</b>	57,136
	<b>11,314,231</b>	10,539,167

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

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Production	<b>288</b>	266
Administration and support	<b>18</b>	22
	<b>306</b>	288

### **7. Directors' remuneration**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	<b>579,470</b>	555,400
Company contributions to defined contribution pension schemes	<b>2,108</b>	1,160
	<b>581,578</b>	556,560

During the year retirement benefits were accruing to 3 directors (2017 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £137,050 (2017 - £131,850).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £703 (2017 - £387).

**R N WOOLER & COMPANY LIMITED**

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

**8. Interest payable and similar expenses**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Loans from related undertakings	<b>67,271</b>	61,527
Other interest payable	<b>3,291</b>	1,609
	<u><b>70,562</b></u>	<u>63,136</u>

**9. Taxation**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>375,000</b>	540,000
Adjustments in respect of previous periods	<b>93,648</b>	208
<b>Total current tax</b>	<u><b>468,648</b></u>	<u>540,208</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u><b>(8,000)</b></u>	<u>1,000</u>
<b>Taxation on profit on ordinary activities</b>	<u><b>460,648</b></u>	<u>541,208</u>

# R N WOOLER & COMPANY LIMITED

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

### 9. Taxation (continued)

#### 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%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<b>1,795,517</b>	2,724,212
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	<b>341,148</b>	517,600
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>22,754</b>	18,855
Capital allowances for year in excess of depreciation	<b>297</b>	(2,797)
Adjustments to tax charge in respect of prior periods	<b>93,648</b>	208
Other differences leading to an increase (decrease) in the tax charge	<b>2,801</b>	429
Change of taxation rate	-	6,913
<b>Total tax charge for the year</b>	<b>460,648</b>	541,208

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

**R N WOOLER & COMPANY LIMITED**

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

**10. Tangible fixed assets**

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 January 2018	974,258	2,045,582	159,662	3,179,502
Additions	-	207,466	229,709	437,175
Disposals	(21,750)	(194,997)	-	(216,747)
At 31 December 2018	<u>952,508</u>	<u>2,058,051</u>	<u>389,371</u>	<u>3,399,930</u>
<b>Depreciation</b>				
At 1 January 2018	616,331	1,367,792	124,906	2,109,029
Charge for the year on owned assets	103,240	220,695	10,344	334,279
Disposals	(21,750)	(192,503)	-	(214,253)
At 31 December 2018	<u>697,821</u>	<u>1,395,984</u>	<u>135,250</u>	<u>2,229,055</u>
<b>Net book value</b>				
At 31 December 2018	<u><u>254,687</u></u>	<u><u>662,067</u></u>	<u><u>254,121</u></u>	<u><u>1,170,875</u></u>
At 31 December 2017	<u><u>357,927</u></u>	<u><u>677,789</u></u>	<u><u>34,756</u></u>	<u><u>1,070,472</u></u>

**R N WOOLER & COMPANY LIMITED**

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

**11. Stocks**

	2018 £	2017 £
Raw materials and consumables	250,000	50,000
Work in progress	302,289	585,715
	<u>552,289</u>	<u>635,715</u>

**12. Debtors**

	2018 £	2017 £
Trade debtors	11,869,920	7,875,723
Amounts owed by group undertakings	9,566,690	9,641,216
Other debtors	110,924	281,119
Prepayments and accrued income	176,852	131,081
Amounts recoverable on long term contracts	490,531	2,713,337
	<u>22,214,917</u>	<u>20,642,476</u>

**13. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Other loans	395,389	457,950
Trade creditors	9,131,680	10,648,231
Corporation tax	75,000	196,563
Other taxation and social security	280,988	300,625
Other creditors, accruals and deferred income	1,737,797	1,136,665
	<u>11,620,854</u>	<u>12,740,034</u>

The following liabilities were secured:

	2018 £	2017 £
Other loans	395,389	457,950
	<u>395,389</u>	<u>457,950</u>

Details of security provided:

Other loans are secured by a first charge over assets of the business.

**R N WOOLER & COMPANY LIMITED**

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

**14. Creditors: Amounts falling due after more than one year**

	2018 £	2017 £
Other loans	977,072	887,462
	<u>977,072</u>	<u>887,462</u>

The following liabilities were secured:

	2018 £	2017 £
Other loans	977,072	887,462
	<u>977,072</u>	<u>887,462</u>

Details of security provided:

Other loans are secured by a first charge over assets of the business.

**15. Loans**

Analysis of the maturity of loans is given below:

	2018 £	2017 £
<b>Amounts falling due within one year</b>		
Other loans	395,389	457,950
<b>Amounts falling due 1-2 years</b>		
Other loans	368,964	307,616
<b>Amounts falling due 2-5 years</b>		
Other loans	608,109	579,845
	<u>1,372,462</u>	<u>1,345,411</u>



# R N WOOLER & COMPANY LIMITED

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

### 16. Deferred taxation

	2018 £	2017 £
At beginning of year	72,000	71,000
Charged to profit or loss	8,000	(1,000)
<b>At end of year</b>	<b>64,000</b>	<b>72,000</b>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	64,000	72,000
	<b>64,000</b>	<b>72,000</b>

### 17. Share capital

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
500 (2017 - 500) Ordinary shares of £1.00 each	500	500

The ordinary shares carry rights of one vote per share and have no restriction on the distribution of dividends and the repayment of capital.

### 18. Contingent liabilities

The company has entered into an unlimited cross guarantee with Barclays Bank PLC in respect of the bank borrowings of R N Wooler & Co (Holdings) Limited and R N Wooler & Co (Developments) Limited, secured by way of a charge on investment properties and stock. At the year end, R N Wooler & Co (Holdings) Limited had outstanding bank borrowings of £6,573,000 (2017 - £4,485,000).

The company is in dispute with one of its customers and an associated contractor and consultations are still on going as at the date of the signing of the financial statements. In order not to prejudice the outcome of the discussions we have not made any disclosures about the timing or amount of any possible contingent liability but we are optimistic regarding the negotiation of a satisfactory settlement.

### 19. 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 £101,604 (2017 - £57,136).

## R N WOOLER & COMPANY LIMITED

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

#### 20. 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	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

#### 21. Related party transactions

Included within other loans is an amount due to the R N Wooler & Company Limited Directors Retirement Plan of £1,372,462 (2017 - £1,345,411). R N Wooler and M A Wooler are trustees of the scheme.

The company has taken advantage of the exemption contained within Section 33 of FRS102 "Related Party Disclosures" from disclosing transactions with entities which are part of the group, since 100% of the voting rights in the company are controlled within the group and the company is included within the group accounts which are publicly available.

#### 22. Controlling party

The company's ultimate parent undertaking is R N Wooler & Co (Holdings) Limited, incorporated in England & Wales. The company is included in the consolidated financial statements of R N Wooler & Co (Holdings) Limited and the accounts are available at Companies House.

R N Wooler & Co (Holdings) Limited is under the control of R N Wooler.