

# **Taylor Made Joinery Interiors Limited**

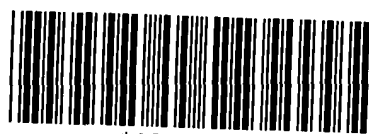
Annual Report and Financial Statements

Year Ended

31 December 2018

Company Number 01570434

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# Taylor Made Joinery Interiors Limited

## Company Information

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<b>Directors</b>	J G Taylor K J Hudson M C Holmes P J Coll A P Catchpole P J Harkin T G Burns S A Warren
<b>Company secretary</b>	T G Burns
<b>Registered number</b>	01570434
<b>Registered office</b>	Manor Wood Ipswich Road Bildeston Ipswich Suffolk IP7 7BH
<b>Auditor</b>	BDO LLP 16 The Havens Ransomes Europark Ipswich Suffolk IP3 9SJ

# **Taylor Made Joinery Interiors Limited**

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# **Taylor Made Joinery Interiors Limited**

## **Strategic Report For the Year Ended 31 December 2018**

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The directors present their strategic report together with the audited financial statements for the year ended 31 December 2018.

### **Business review**

Turnover growth in 2018 rose to 14.7% (2017: 1.9%) taking turnover up to £29.3m for the year, however the forecast had been for turnover of £34.0m. The lower than forecast turnover arose as three significant projects, originally scheduled to complete in 2018, were pushed back well into 2019, resulting in £6.9m of turnover relating to these projects now budgeted to happen in 2019. The gross profit margin fell from the previous year to 23.1% (2017: 25.4%) generating a net profit return of 4.6% (2017: 4.7%).

During the year the company continued to invest in the business with in excess of £0.4m (2017: £1.0m) being invested in plant and equipment.

During 2018 the company took out a further £0.1m in new HP contracts. However, the repayments made on existing and new HP contracts during the year meant that the overall liability on HP dropped by £0.2m. Along with the repayments on the two 5 year loans in place this meant that the indebtedness of the company fell from £1.2m to £0.9m.

The outlook for 2019 is for a continuation of the strong revenue growth and the Directors forecast that its turnover will increase by 12.6% to £33.0m. The company has secured, so far, £25.0m of business for 2019 and £10.3m for 2020 while the net profit is forecast to be 4.0% for 2019. The company will continue to invest in the business, such as the commitment made to invest £0.5m in a new beam saw and upright CNC machine, and is in talks with Taylor Investments (Bildeston) Limited (it's workshop landlord) to get the machine shop building redeveloped to enable a more efficient operation of the new beam saw and existing CNC machines. The company will fund this investment in new plant through obtaining new HP contracts.

### **Principal risks and uncertainties**

The principal risks and uncertainties that affect the company are identified below and are regularly reviewed by the directors.

#### **New business risk**

We are a specialist company operating in a competitive market and are therefore exposed to peaks and troughs in turnover. This is managed by having strong customer relations with both repeat business and the continued expansion of our customer base during 2018.

We take client satisfaction seriously and monitor this by way of post contract client satisfaction surveys to obtain feedback on our performance, covering areas such as quality, communication, site and project management, health and safety and financial management.

As part of benchmarking the quality of product and service that the company delivers we are FSC accredited and apply ISO's 9001 & 14001 with OHSAS 18001 amongst other standards. Additionally to ensure our procedures on site and for delivery meet best practice we are FORS gold and ROSPA gold registered.

# Taylor Made Joinery Interiors Limited

## Strategic Report (continued) For the Year Ended 31 December 2018

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### **Liquidity risk**

Cash flow and finance resources are a risk and the company has strong cash flow management in place to ensure sufficient funds are available to meet foreseeable needs.

### **Credit risk**

The principal credit risk arises from our trade debtors and this is largely managed out by having credit insurance in place for the majority of our customers.

### **Brexit**

The company is taking a proactive, discussion lead approach to Brexit and all of its possible implications. We recognise that currently it is very much the unknown however are taking the necessary steps to ensure our business is as unaffected as possible including ensuring our labour levels and both, current and prospective projects are adequately priced and resourced.

This report was approved by the board on 5 April 2019 and signed on its behalf.



**A P Catchpole**  
Director



**J G Taylor**  
Director

# **Taylor Made Joinery Interiors Limited**

## **Directors' Report For the Year Ended 31 December 2018**

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The directors present their report together with the audited financial statements for the year ended 31 December 2018.

### **Principal activity**

The principal activity of the company during the year was that of specialist joinery contractors.

### **Results and dividends**

The profit for the year, after taxation, amounted to £1,337,304 (2017 - £1,207,339).

During the year a dividend of £684,000 (2017 - £501,000) was paid.

### **Directors**

The directors who served during the year were:

J G Taylor  
K J Hudson  
M C Holmes  
P J Coll  
A P Catchpole  
P J Harkin  
T G Burns  
S A Warren

### **Charitable contributions**

During the year the company made donations to various UK charities totalling £13,510 (2017 - £28,513).

### **Financial instruments**

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures and trade credit insurance cover for the majority of customers. The company's policy is to finance certain fixed assets through fixed rate finance lease and hire purchase contracts for a term broadly expected to match the useful economic lives of the assets. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

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

The directors have included a business review within the strategic report. Also included in the strategic report are details of the future developments of the company, the principal risks and uncertainties and a review of the key performance indicators as assessed by the directors.

# Taylor Made Joinery Interiors Limited

## Directors' Report (continued) For the Year Ended 31 December 2018

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### Disclosure of information to auditor

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

- so far as 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.

### Auditor

The auditor, BDO LLP, who was appointed in the year, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 5 April 2019 and signed on its behalf.



A P Catchpole  
Director



J/G Taylor  
Director

# **Taylor Made Joinery Interiors Limited**

## **Directors' Responsibilities Statement For the Year Ended 31 December 2018**

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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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 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.



# **Taylor Made Joinery Interiors Limited**

## **Independent Auditors' Report to the Members of Taylor Made Joinery Interiors Limited**

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### **Opinion**

We have audited the financial statements of Taylor Made Joinery Interiors Limited ("the company") for the year ended 31 December 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, 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 auditor's 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 UK, including the FRC'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.

# **Taylor Made Joinery Interiors Limited**

## **Independent Auditors' Report to the Members of Taylor Made Joinery Interiors Limited (continued)**

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### **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 auditor's 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.

### **Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 and director's 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.

# Taylor Made Joinery Interiors Limited

## Independent Auditors' Report to the Members of Taylor Made Joinery Interiors Limited (continued)

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### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

### Auditor's 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 auditor's 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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Keith Ferguson (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Ipswich  
United Kingdom

SK. April 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Taylor Made Joinery Interiors Limited

## Statement of Comprehensive Income For the Year Ended 31 December 2018

	Notes	2018 £	2017 £
Turnover	4	29,268,003	25,511,851
Cost of sales		(22,448,737)	(19,025,642)
<b>Gross profit</b>		<b>6,819,266</b>	<b>6,486,209</b>
Administrative expenses		(5,143,495)	(4,801,103)
Share based payment		(375)	-
Change in fair value of investments		54,972	(60,424)
<b>Operating profit</b>	5	<b>1,730,368</b>	<b>1,624,682</b>
Income from fixed assets investments		12,000	-
Interest receivable and similar income	9	8,391	2,019
Interest payable and similar charges	10	(33,944)	(38,829)
<b>Profit before tax</b>		<b>1,716,815</b>	<b>1,587,872</b>
Tax on profit	11	(379,511)	(380,533)
<b>Profit for the financial year</b>		<b>1,337,304</b>	<b>1,207,339</b>

The notes on pages 14 to 30 form part of these financial statements.

# Taylor Made Joinery Interiors Limited

Registered number: 01570434

## Statement of Financial Position As at 31 December 2018

	Note	2018 £	2018 £	2017 £	2017 £
<b>Fixed assets</b>					
Tangible fixed assets			3,289,359		3,333,410
Investments	13		259,460		204,488
			<u>3,548,819</u>		<u>3,537,898</u>
<b>Current assets</b>					
Stocks		92,749		68,690	
Debtors: amounts falling due after more than one year	14	218,189		198,576	
Debtors: amounts falling due within one year	14	5,148,952		5,459,167	
Cash at bank and in hand		2,316,431		1,286,265	
		<u>7,776,321</u>		<u>7,012,698</u>	
Creditors: amounts falling due within one year	15	(4,950,980)		(4,554,354)	
<b>Net current assets</b>			<u>2,825,341</u>		<u>2,458,344</u>
<b>Total assets less current liabilities</b>			<u>6,374,160</u>		<u>5,996,242</u>
Creditors: amounts falling due after more than one year	16		(559,722)		(847,340)
<b>Provisions for liabilities</b>					
Deferred tax	19		(132,799)		(120,942)
<b>Net assets</b>			<u><u>5,681,639</u></u>		<u><u>5,027,960</u></u>
<b>Capital and reserves</b>					
Called up share capital	20		9,750		9,750
Revaluation reserve	22		235,597		180,625
Capital redemption reserve	22		2,302		2,302
Profit and loss account	22		5,433,990		4,835,283
<b>Total equity</b>			<u><u>5,681,639</u></u>		<u><u>5,027,960</u></u>

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

**A P Catchpole**  
Director




**J G Taylor**  
Director

5 April 2019

The notes on pages 14 to 30 form part of these financial statements.

# Taylor Made Joinery Interiors Limited

## Statement of Changes in Equity For the Year Ended 31 December 2018

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2018	9,750	2,302	180,625	4,835,283	5,027,960
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	1,337,304	1,337,304
<b>Total comprehensive income for the year</b>	-	-	-	1,337,304	1,337,304
Dividends: Equity capital	-	-	-	(684,000)	(684,000)
Transfer to/from retained earnings	-	-	54,972	(54,972)	-
Share based payment	-	-	-	375	375
<b>Total transactions with owners</b>	-	-	54,972	(738,597)	(683,625)
<b>At 31 December 2018</b>	<b>9,750</b>	<b>2,302</b>	<b>235,597</b>	<b>5,433,990</b>	<b>5,681,639</b>

## Statement of Changes in Equity For the Year Ended 31 December 2017

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2017	9,750	2,302	241,049	4,068,520	4,321,621
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	1,207,339	1,207,339
<b>Total comprehensive income for the year</b>	-	-	-	1,207,339	1,207,339
Dividends: Equity capital	-	-	-	(501,000)	(501,000)
Transfer to/from retained earnings	-	-	(60,424)	60,424	-
<b>Total transactions with owners</b>	-	-	(60,424)	(440,576)	(501,000)
<b>At 31 December 2017</b>	<b>9,750</b>	<b>2,302</b>	<b>180,625</b>	<b>4,835,283</b>	<b>5,027,960</b>

The notes on pages 14 to 30 form part of these financial statements.

# Taylor Made Joinery Interiors Limited

## Statement of Cash Flows For the Year Ended 31 December 2018

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,337,304	1,207,339
<b>Adjustments for:</b>		
Depreciation of tangible assets	564,614	575,669
Loss on disposal of tangible assets	(9,399)	2,536
Interest paid	33,944	38,828
Taxation charge	379,511	380,533
(Increase)/decrease in stocks	(24,059)	4,198
Decrease/(increase) in debtors	290,602	(333,558)
Decrease in creditors	(129,264)	(618,150)
Net fair value (gains)/losses recognised in P&L	(54,972)	60,424
Corporation tax paid	(408,256)	(326,041)
Interest received	(8,391)	(2,019)
Other operating income	(12,000)	-
Share based payments	375	-
<b>Net cash generated from operating activities</b>	<b>1,960,009</b>	<b>989,759</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(475,050)	(890,983)
Sale of tangible fixed assets	47,661	58,243
Interest received	8,391	2,019
HP interest paid	(18,296)	(16,689)
Dividends received	12,000	-
<b>Net cash from investing activities</b>	<b>(425,294)</b>	<b>(847,410)</b>
<b>Cash flows from financing activities</b>		
Other new loans	-	430,000
Repayment of other loans	(151,590)	(120,482)
Capital element of finance lease rentals	(253,311)	(267,731)
Dividends paid	(84,000)	(51,000)
Interest paid	(15,648)	(22,139)
<b>Net cash used in financing activities</b>	<b>(504,549)</b>	<b>(31,352)</b>

# Taylor Made Joinery Interiors Limited

## Statement of Cash Flows (continued) For the Year Ended 31 December 2018

	2018 £	2017 £
<b>Net increase in cash and cash equivalents</b>	<b>1,030,166</b>	110,997
Cash and cash equivalents at beginning of year	<b>1,286,265</b>	1,175,268
<b>Cash and cash equivalents at the end of year</b>	<b>2,316,431</b>	1,286,265
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<b>2,316,431</b>	1,286,265
	<b>2,316,431</b>	1,286,265

The notes on pages 14 to 30 form part of these financial statements.



# **Taylor Made Joinery Interiors Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2018**

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### **1. General information**

Taylor Made Joinery Interiors Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention 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 Associates and joint ventures**

Associated undertakings are shown at directors valuation. Revaluation gains and losses are taken to the statement of comprehensive income and then transferred to the revaluation reserve each year.

#### **2.3 Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax, customer rebates and discounts, as adjusted for long term contracts. Long term contracts are assessed on a contract by contract basis and reflected in the statement of comprehensive income by recording turnover and related costs as contract activity progresses.

Turnover is ascertained by reference to the attributable profit margin applied to the costs incurred on the contract. The reported costs incurred on the contract are calculated by applying the accruals accounting concept. Attributable profit is recognised in the statement of comprehensive income as the difference between the reported turnover and related costs for each contract. Attributable profit is only recognised where the outcome of the contract can be assessed with reasonable certainty before its conclusion. Where foreseeable losses on contracts are estimated to arise over the duration of the contracts, such losses are recognised in full in the statement of comprehensive income in the year in which the losses are foreseen.

# Taylor Made Joinery Interiors Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 2. Accounting policies (continued)

#### 2.4 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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, either using the straight-line method or on a reducing balance bases.

Depreciation is provided on the following basis:

Motor vehicles	-	25.00% reducing balance
Freehold property	-	4.00% straight line
Leasehold improvements	-	10.00% straight line
Plant & machinery	-	10.00-33.00% 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 the statement of comprehensive income.

Assets in the course of construction are not depreciated.

#### 2.5 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.

#### 2.6 Valuation of investments

Other investments held as fixed assets are shown at cost less provision for impairment.

#### 2.7 Long-term contracts

The amount by which recorded turnover is in excess of payments on account is classified as 'amounts recoverable on long term contracts' and is separately disclosed within debtors. Where payments on account are in excess of turnover the balance is classified as 'payments received on account' and is separately disclosed within creditors.

# Taylor Made Joinery Interiors Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 2. Accounting policies (continued)

#### 2.8 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.

#### 2.9 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.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

#### 2.10 Financial instruments

##### *Financial assets*

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

##### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

#### 2.11 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.

#### 2.12 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.

# **Taylor Made Joinery Interiors Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2018**

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

#### **2.13 Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the statement of comprehensive income is charged with fair value of goods and services received.

#### **2.14 Leased assets: the company as lessee**

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

#### **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 statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

#### **2.16 Borrowing costs**

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

# Taylor Made Joinery Interiors Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 2. Accounting policies (continued)

#### 2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, 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.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgement has had the most significant effect on amounts recognised in the financial statements;

#### *Amounts recoverable on long-term contracts*

The company applies its policies on turnover and long term contracts when recognising revenue and profit on partially completed contracts. The application of this policy requires judgements to be made in respect of the total expected costs to complete and the profit margin achievable on each contract. The company has in place established internal control processes to ensure that the evaluation of costs and revenues is based upon appropriate estimates.

### 4. Turnover

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

For full details of how the company recognises turnover on its contracts please see accounting policies 2.3, 'turnover', 2.7 'long term contracts' and note 3 above.

All turnover arose within the United Kingdom.

# Taylor Made Joinery Interiors Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets - owned by the company	448,110	450,481
Depreciation of tangible fixed assets - held under finance lease	116,504	125,188
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	12,865	11,365
Other operating lease rentals	168,600	154,127
Share based payment	375	-
	<u>          </u>	<u>          </u>

### 6. Employees

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

	2018 £	2017 £
Wages and salaries	7,007,095	6,441,491
Social security costs	766,720	703,481
Cost of defined contribution scheme	246,062	225,535
	<u>          </u>	<u>          </u>
	<u>8,019,877</u>	<u>7,370,507</u>

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

	2018 No.	2017 No.
Production	123	112
Administration	48	47
	<u>          </u>	<u>          </u>
	<u>171</u>	<u>159</u>

# Taylor Made Joinery Interiors Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	907,055	834,517
Company contributions to defined contribution pension schemes	86,717	75,308
	<u>993,772</u>	<u>909,825</u>

During the year retirement benefits were accruing to 6 directors (2017 - 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £168,083 (2017 - £158,651).

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

During the year no directors exercised any share options (2017 - none).

### 8. Income from investments

	2018 £	2017 £
Dividend income from fixed asset investments held at fair value through profit or loss (unlisted shares)	12,000	-

### 9. Interest receivable and similar income

	2018 £	2017 £
Interest receivable	8,391	2,019

### 10. Interest payable and similar charges

	2018 £	2017 £
Bank interest payable	782	-
Other loan interest payable	14,866	17,077
Finance leases and hire purchase contracts	18,296	16,689
Other interest payable	-	5,063
	<u>33,944</u>	<u>38,829</u>

# Taylor Made Joinery Interiors Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 11. Taxation

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	367,573	377,948
Adjustments in respect of previous periods	81	364
<b>Total current tax</b>	<b>367,654</b>	<b>378,312</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	12,018	2,221
Effect of tax rate change on opening balance	(161)	-
<b>Total deferred tax</b>	<b>11,857</b>	<b>2,221</b>
<b>Taxation on profit on ordinary activities</b>	<b>379,511</b>	<b>380,533</b>

### 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 19.00% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	1,716,815	1,587,872
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	326,195	305,611
<b>Effects of:</b>		
Fixed asset differences	36,298	35,693
Expenses not deductible for tax purposes	31,236	39,159
Income not taxable for tax purposes	(12,725)	-
Adjustments to tax charge in respect of previous periods	81	364
Adjustments to tax charge in respect of previous periods - deferred tax	(161)	-
Adjust closing deferred tax to average rate of 19.00% (2017 - 19.25%)	(15,623)	(15,983)
Adjust opening deferred tax to average rate of 19.00% (2017 - 19.25%)	14,210	15,689
<b>Total tax charge for the year</b>	<b>379,511</b>	<b>380,533</b>



# Taylor Made Joinery Interiors Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 11. Taxation (continued)

#### Factors that may affect future tax charges

Reductions in the UK Corporation tax rate from 20.00% to 17.00% (19.00% effective from 1 April 2017 and 17.00% effective from 1 April 2020) have been substantively enacted. This will impact the company's future tax charge accordingly. The deferred tax liability at 31 December 2018 has been calculated based on the rates substantively enacted at the date of the statement of financial position.

### 12. Tangible fixed assets

	Motor vehicles £	Freehold improvements £	Leasehold improvements £	Plant & machinery £	Assets in the course of construction £	Total £
<b>Cost</b>						
At 1 January 2018	395,457	346,209	1,626,940	4,493,925	35,606	6,898,137
Additions	21,681	-	123,008	412,670	7,469	564,828
Disposals	(82,044)	-	-	(83,180)	-	(165,224)
Transfers between classes	-	-	20,540	-	(20,540)	-
At 31 December 2018	<u>335,094</u>	<u>346,209</u>	<u>1,770,488</u>	<u>4,823,415</u>	<u>22,535</u>	<u>7,297,741</u>
<b>Depreciation</b>						
At 1 January 2018	189,293	12,700	439,823	2,922,911	-	3,564,727
Charge for the year	52,100	8,692	152,111	351,711	-	564,614
Disposals	(44,784)	-	-	(76,175)	-	(120,959)
At 31 December 2018	<u>196,609</u>	<u>21,392</u>	<u>591,934</u>	<u>3,198,447</u>	<u>-</u>	<u>4,008,382</u>
<b>Net book value</b>						
At 31 December 2018	<u>138,485</u>	<u>324,817</u>	<u>1,178,554</u>	<u>1,624,968</u>	<u>22,535</u>	<u>3,289,359</u>
At 31 December 2017	<u>206,164</u>	<u>333,509</u>	<u>1,187,117</u>	<u>1,571,014</u>	<u>35,606</u>	<u>3,333,410</u>

# Taylor Made Joinery Interiors 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	678,892	742,610
Motor vehicles	82,643	127,234
	<u>761,535</u>	<u>869,844</u>

### 13. Fixed asset investments

	Investments in associates £	Other investments £	Total £
<b>Cost or valuation</b>			
At 1 January 2018	184,625	19,863	204,488
Revaluations	54,972	-	54,972
At 31 December 2018	<u>239,597</u>	<u>19,863</u>	<u>259,460</u>
<b>Net book value</b>			
At 31 December 2018	<u>239,597</u>	<u>19,863</u>	<u>259,460</u>
At 31 December 2017	<u>184,625</u>	<u>19,863</u>	<u>204,488</u>

Investments in associates comprises a 20% interest in Complete Fixing Solutions Limited.

# Taylor Made Joinery Interiors Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 14. Debtors

	2018 £	2017 £
<b>Due after more than one year</b>		
Amounts recoverable on long term contracts	<b>218,189</b>	198,576
	2018 £	2017 £
<b>Due within one year</b>		
Trade debtors	1,768,623	1,018,107
Amounts owed by joint ventures and associated undertakings	11,760	-
Other debtors	4,432	8,484
Prepayments and accrued income	165,770	208,000
Amounts recoverable on long term contracts	3,198,367	4,224,576
	<b>5,148,952</b>	5,459,167

The impairment loss recognised in profit or loss for the year in respect of bad and doubtful trade debtors was £Nil (2017 - £Nil).

### 15. Creditors: amounts falling due within one year

	2018 £	2017 £
Other loans	152,007	144,647
Payments received on account	418,562	356,277
Trade creditors	1,177,516	1,019,436
Amounts owed to associates	20,000	45,991
Corporation tax	185,742	226,344
Other taxation and social security	672,373	601,339
Obligations under finance lease and hire purchase contracts	203,683	238,551
Other creditors	216,997	374,388
Accruals	1,904,100	1,547,381
	<b>4,950,980</b>	4,554,354

Assets held under finance leases and hire purchase are secured on the assets concerned.

# Taylor Made Joinery Interiors Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 16. Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other loans	262,775	421,725
Net obligations under finance leases and hire purchase contracts	296,947	425,615
	<u>559,722</u>	<u>847,340</u>

Assets held under finance leases and hire purchase are secured on the assets concerned.

### 17. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	203,683	238,551
Between 1-5 years	296,947	425,615
	<u>500,630</u>	<u>664,166</u>

### 18. Financial instruments

	2018 £	2017 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	239,597	184,625
Financial assets that are debt instruments measured at amortised cost	4,101,246	2,351,896
	<u>4,340,843</u>	<u>2,536,521</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(1,829,294)</u>	<u>(3,112,119)</u>

# Taylor Made Joinery Interiors Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 18. Financial instruments (continued)

Financial assets measured at fair value through profit or loss comprise unlisted investments.

Financial assets measured at amortised cost comprise cash, trade and other debtors (excluding prepayments and amounts recoverable on long term contracts).

Financial liabilities measured at amortised cost comprise trade and other creditors (excluding payments received on account, accruals and deferred income, taxation and finance lease and hire purchase obligations).

### 19. Deferred taxation

	2018 £
At beginning of year	120,942
Charged to the statement of comprehensive income	(11,857)
<b>At end of year</b>	<b>132,799</b>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	136,026	123,531
Short term timing differences	(3,227)	(2,589)
	<b>132,799</b>	<b>120,942</b>

### 20. Share capital

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
9,000 Ordinary A shares of £1 each	9,000	9,000
750 Ordinary B shares of £1 each	750	750
	<b>9,750</b>	<b>9,750</b>

Holders of Ordinary A and Ordinary B shares are entitled to attend general meetings, however only holders of Ordinary A shares are entitled to vote at these meetings.

# Taylor Made Joinery Interiors Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 21. Dividends

	2018 £	2017 £
<b>Ordinary A</b>		
Dividends paid on equity capital at £66.67 (2017 - £50) per share	600,000	450,000
<b>Ordinary B</b>		
Dividends paid on equity capital at £112 (2017 - £68) per share	84,000	51,000
	684,000	501,000

### 22. Reserves

The company's capital and reserves are as follows:

#### **Called up share capital**

Called up share capital reserve represents the nominal value of the shares issued.

#### **Capital redemption reserve**

The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.

#### **Revaluation reserve**

The revaluation reserve represents the cumulative gain in the fair value of the investment in the associate company.

#### **Profit & loss account**

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

# Taylor Made Joinery Interiors Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 23. Share based payments

During the year, Taylor Made Joinery Interiors Limited established an equity-settled share based remuneration scheme, in the form of an enterprise management incentive (EMI) share options scheme, for directors. Only directors that did not already own shares in the company were eligible to participate in the scheme, the vesting condition being that the options granted will ordinarily only be exercisable by an EMI recipient if (subject to the provisions of the EMI Plan relating to the lapse of EMI Options), that EMI recipient remains an employee of the company from the date of the grant of his or her EMI options to the second anniversary of such date.

750 share options were granted with an exercise price of £1 per share. There is no time limit on the exercise date of the share options however, the share options will lapse for an EMI recipient should they leave the company before the two year anniversary from the date that the share options were granted.

The valuation of the share options was calculated with reference to the median PE multiple for publicly listed companies whose business activities are similar to that of the company. The PE multiple was adjusted to reflect the following factors:

- Difference in size
- Difference in diversity of operations (in terms of activities)
- Differences in profitability and growth between the company and comparators; and
- The fact that the company does not have access to capital markets.

A discount of 45% was seen as being reasonable in light of the above. The profit after tax figure used in the valuation was what was deemed as being maintainable by the company. Any investments held by the company were also taken into account in arriving at the valuation as these were considered surplus assets.

The share-based remuneration expense amounted to £375 (2017 -£Nil).

No share options were forfeited or exercised during the period.

### 24. Capital commitments

At 31 December 2018 the company had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	468,724	10,000

### 25. Pension commitments

The company operates a defined contribution pension scheme, the assets of which are held in an independently administered fund. The company also makes pension contributions to a personal pension scheme on behalf of a director. The pension cost for the year is shown in notes 6 and 7.

The amount outstanding in respect of the defined contribution pension scheme at the year end is £30,539 (2017 - £25,789).

# Taylor Made Joinery Interiors Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 26. 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	151,500	161,400
Later than 1 year and not later than 5 years	408,000	467,400
Later than 5 years	-	102,000
	<u>559,500</u>	<u>730,800</u>

### 27. Related party transactions

The directors received dividends in aggregate on the same terms as the other shareholders of £650,667 (2017 - £476,000).

The son of the controlling director is also a shareholder and he received a dividend of £33,333 (2017 - £25,000).

Included within administration expenses is £102,000 (2017 - £102,000) paid to a related company for the rental of the premises. Taylor Made Joinery Interiors Limited shares a controlling director with this company.

During the year purchases relating to services and rental charges of £3,125,592 (2017 - £3,782,625) were made from another related company. This company is an associate company of Taylor Made Joinery Interiors Limited.

Included within Creditors is a figure of £20,000 (2017 - £155,329) due to the same related party. This company is an associate company of Taylor Made Joinery Interiors Limited.

Included within Debtors is a figure of £11,760 (2017 - £Nil) due to from the same related party.

During the year sales of £17,860 (2017 - £5,000) were made to the same related party. This company is an associate company of Taylor Made Joinery Interiors Limited.

During the year a loan of £80,000 (2017 - £Nil) was granted to the above related party. The balance owed at the end of the year in respect of this loan was £Nil (2017 - £Nil).

During the year sales of £5,040 (2017 - £35,459) were made to another related party. Taylor Made Joinery Interiors Limited shares a controlling director with this company.

Included within Debtors is a figure for £Nil (2017 - £5,400) due from the same related party as above. Taylor Made Joinery Interiors Limited shares a controlling director with this company.

Included within Other Debtors is a figure for £Nil (2017 - £296) due from the same related party as above. Taylor Made Joinery Interiors Limited shares a controlling director with this company.

During the year purchases of £Nil (2017 - £295,786) were made from another party. Taylor Made Joinery Interiors Limited shared a controlling director with this company until 31 March 2018.

Included within Creditors is a figure for £Nil (2017 - £6,860) owed to the same related party as above.



# Taylor Made Joinery Interiors Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 27. Related party transactions (continued)

Taylor Made Joinery Interiors Limited shares a controlling director with this company.

Within other creditors is a loan from a related party of £414,782 (2017 - £566,372). Taylor Made Joinery Interiors Limited shares a controlling director with this company.

During the year, Taylor Made Joinery Interiors Limited made recharges of £Nil (2017 - £65,000) to the same company and no amount was owed at the end of the year (2017 - £Nil).

Included within other creditors is an amount owed to a director and shareholder of the company of £111,294 (2017 - £251,414). The maximum amount owed from this director during the year was £349,521.81 (2017 - 72,335). Furthermore, interest of £3,653 (2017 - £446) was charged to this director and shareholder during the year.

During the year sales of £14,586 (2017 - £56,210) were made to the same director and shareholder.

During the year sales of £10,001 (2017 - £Nil) were made to a close family member of the above director and shareholder. This amount is also included within debtors (2017 - £Nil).

Included within Debtors is a figure of £28,201 (2017 - £13,616) due from the same director and shareholder.

During the year sales of £6,210 (2017 - £4,595) were made to a controlling director of Taylor Made Joinery Interiors Limited.

Included within Debtors is a figure of £5,077 (2017 - £4,595) due from the same director.

Included within other creditors is an amount owed to the son of one of the controlling directors, of £5,670 (2017 - £20,508).

During the year costs of £Nil (2017 - £288) were recharged to a related party. The related party has a director who is the son of one of Taylor Made Joinery Interiors Limited's controlling directors.

During the year purchases relating to services of £6,070 (2017 - £Nil) were made from the above company.

A director and shareholder personally guarantees £250,000 (2017 - £250,000) of the company's bank overdraft.

Taylor Made Joinery Interiors Limited guarantees £740,000 in favour of a related party (2017 - £1,115,000).

Key management personnel are the Directors as they are the ones who have the authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel was £1,069,731 (2017 - £934,338).

### 28. Controlling party

In the opinion of the directors the company is controlled by J G Taylor.