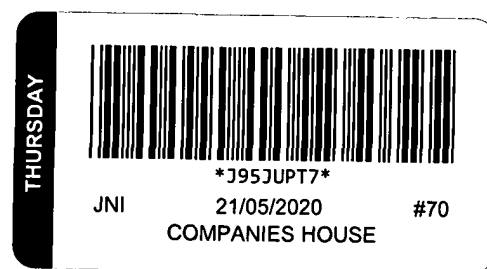


Company registration number: NI601119

**3 Interior Contracts Limited**

**Financial statements**

**31 December 2019**



### **3 Interior Contracts Limited**

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### **3 Interior Contracts Limited**

#### **Directors and other information**

<b>Directors</b>	Mr Stephen Purdy Mr Phillip Moorhead Mr Brian Stevenson Mr Ian Robinson Mr Allan Grieve Mr Marc Trelford Mr Neil McCann Mrs Shirley-Ann Smylie Mr Brian Agnew
<b>Secretary</b>	Mr Stephen Purdy
<b>Company number</b>	NI601119
<b>Registered office</b>	River House Home Avenue Newry County Down BT34 2DL
<b>Business address</b>	15 Rathdown Close Lissue Industrial Estate West Lisburn BT28 2RB
<b>Auditor</b>	Phelan & Prescott River House Home Avenue Newry BT34 2DL
<b>Accountants</b>	Phelan and Prescott River House Home Avenue Newry Co Down
<b>Bankers</b>	Ulster Bank Limited 49 Wellington Street Ballymena BT43 6AD

### **3 Interior Contracts Limited**

#### **Strategic report Year ended 31 December 2019**

##### **Review of the business**

The results for the year are set out on page 7. The directors consider the profit achieved before taxation to be satisfactory in the current economic climate. The directors regard turnover and gross margin as the key performance indicators of the business.

##### **Principal risks and uncertainties**

The company operates in a competitive market. A major priority for the company is to continue to provide a remarkable level of customer service and deliver completed contracts of the highest standard. The company provides a high end service that is based on meticulous detail, superior craftsmanship and experience in providing fit out and refurbishment solutions. By continuing to provide this level of service the company will grow under the management of the directors.

##### **Analysis of the development, performance and position of the business**

The company has reported reasonable performance in the last year. The company continues to look to growth and anticipates improved performance in 2020.

This report was approved by the board of directors on 11 May 2020 and signed on behalf of the board by:



Mr Stephen Purdy  
Director

### **3 Interior Contracts Limited**

#### **Directors report Year ended 31 December 2019**

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

#### **Directors**

The directors who served the company during the year were as follows:

Mr Stephen Purdy  
Mr Phillip Moorhead  
Mr Brian Stevenson  
Mr Ian Robinson  
Mr Allan Grieve  
Mr Marc Trelford  
Mr Neil McCann  
Mrs Shirley-Ann Smylie  
Mr Brian Agnew

#### **Dividends**

Particulars of recommended dividends are detailed in note 14 to the financial statements.

#### **Future developments**

The company plans to continue its present activities at an increased trading level.

#### **Directors responsibilities statement**

The directors are responsible for preparing the strategic report, 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 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 judgments and accounting estimates that are reasonable and prudent; and
- 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.

#### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

**3 Interior Contracts Limited**

**Directors report (continued)  
Year ended 31 December 2019**

This report was approved by the board of directors on 11 May 2020 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'S. Purdy', written in a cursive style.

Mr Stephen Purdy  
Director

### **3 Interior Contracts Limited**

#### **Independent auditor's report to the members of 3 Interior Contracts Limited Year ended 31 December 2019**

#### **Opinion**

We have audited the financial statements of 3 Interior Contracts Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of income and retained earnings, statement of financial position, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

#### **Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

### **3 Interior Contracts Limited**

#### **Independent auditor's report to the members of 3 Interior Contracts Limited (continued) Year ended 31 December 2019**

##### **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 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 has 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 where 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 the 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, 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

### 3 Interior Contracts Limited

**Independent auditor's report to the members of  
3 Interior Contracts Limited (continued)  
Year ended 31 December 2019**

- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **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.



John M Doherty (Senior Statutory Auditor)

For and on behalf of  
Phelan & Prescott  
Chartered Accountants  
River House  
Home Avenue  
Newry  
BT34 2DL

11 May 2020

### 3 Interior Contracts Limited

#### Statement of income and retained earnings Year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	27,085,376	35,180,265
Cost of sales		(23,584,786)	(32,944,099)
<b>Gross profit</b>		<b>3,500,590</b>	<b>2,236,166</b>
Administrative expenses		(1,538,351)	(727,012)
Other operating income	5	60,408	70,308
<b>Operating profit</b>	6	<b>2,022,647</b>	<b>1,579,462</b>
Income from shares in group undertakings	9	250,000	140,000
Other interest receivable and similar income	10	4,726	5,692
Amounts written off connected company balances	11	-	(2,388,524)
Interest payable and similar expenses	12	(743)	(1,501)
<b>Profit/(loss) before taxation</b>		<b>2,276,630</b>	<b>(664,871)</b>
Tax on profit/(loss)	13	284,956	(302,317)
<b>Profit/(loss) for the financial year and total comprehensive income</b>		<b><u>2,561,586</u></b>	<b><u>(967,188)</u></b>
Dividends declared and paid or payable during the year	14	(2,253,910)	(2,674,624)
<b>Retained earnings at the start of the year</b>		<b><u>2,227,515</u></b>	<b><u>5,869,327</u></b>
<b>Retained earnings at the end of the year</b>		<b><u>2,535,191</u></b>	<b><u>2,227,515</u></b>

All the activities of the company are from continuing operations.

The notes on pages 11 to 20 form part of these financial statements.

### 3 Interior Contracts Limited

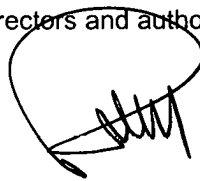
#### Statement of financial position 31 December 2019

	Note	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	15	61,676		120,319	
Investments	16	40,200		40,200	
			101,876		160,519
<b>Current assets</b>					
Stocks	17	2,250,404		2,554,850	
Debtors	18	2,084,395		2,735,879	
Cash at bank and in hand		2,460,992		1,560,434	
		6,795,791		6,851,163	
<b>Creditors: amounts falling due within one year</b>	20	(4,359,875)		(4,781,566)	
<b>Net current assets</b>			2,435,916		2,069,597
<b>Total assets less current liabilities</b>			2,537,792		2,230,116
<b>Net assets</b>			2,537,792		2,230,116
<b>Capital and reserves</b>					
Called up share capital	24	2,601		2,601	
Profit and loss account	25	2,535,191		2,227,515	
<b>Shareholders funds</b>			2,537,792		2,230,116

These financial statements were approved by the board of directors and authorised for issue on 11 May 2020, and are signed on behalf of the board by:



Mr Stephen Purdy  
Director



Mr Phillip Moorhead  
Director

Company registration number: NI601119

The notes on pages 11 to 20 form part of these financial statements.

### 3 Interior Contracts Limited

#### Statement of cash flows Year ended 31 December 2019

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Profit/(loss) for the financial year		2,561,586	(967,188)
<i>Adjustments for:</i>			
Depreciation of tangible assets		27,557	73,103
Government grant income		(6,300)	(12,718)
Income from shares in group undertakings		(250,000)	(140,000)
Other interest receivable and similar income		(4,726)	(5,692)
Interest payable and similar expenses		743	1,501
Gain/(loss) on disposal of tangible assets		(14,214)	(4,000)
Tax on profit/loss		(284,956)	302,317
Accrued expenses/(income)		(1,316,063)	790,412
<i>Changes in:</i>			
Stocks		304,446	147,364
Trade and other debtors		577,142	2,141,065
Trade and other creditors		875,132	(78,795)
Cash generated from operations		2,470,347	2,247,369
Interest paid		(743)	(1,501)
Interest received		4,726	5,692
Tax paid		397,200	(330,000)
Net cash from operating activities		<u>2,871,530</u>	<u>1,921,560</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		(2,700)	(47,594)
Proceeds from sale of tangible assets		48,000	4,000
Dividends received		250,000	140,000
Net cash from investing activities		<u>295,300</u>	<u>96,406</u>
<b>Cash flows from financing activities</b>			
Government grant income		6,300	12,718
Payment of finance lease liabilities		(9,045)	2,938
Equity dividends paid		(2,253,910)	(2,674,624)
Net cash used in financing activities		<u>(2,256,655)</u>	<u>(2,658,968)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		910,175	(641,002)
<b>Cash and cash equivalents at beginning of year</b>	19	1,532,085	2,173,087
<b>Cash and cash equivalents at end of year</b>	19	<u>2,442,260</u>	<u>1,532,085</u>

### **3 Interior Contracts Limited**

#### **Notes to the financial statements Year ended 31 December 2019**

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

The company is a private company limited by shares, registered in Northern Ireland. The address of the registered office is River House, Home Avenue, Newry, County Down, BT34 2DL.

##### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **3. Accounting policies**

###### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

###### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

###### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

###### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

### 3 Interior Contracts Limited

#### Notes to the financial statements (continued) Year ended 31 December 2019

##### **Tangible assets**

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 25%	reducing balance
Fittings fixtures and equipment	- 25%	reducing balance
Motor vehicles	- 25%	straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

##### **Fixed asset investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

##### **Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

##### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

##### **Hire purchase and finance leases**

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

### 3 Interior Contracts Limited

#### Notes to the financial statements (continued) Year ended 31 December 2019

##### Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

##### Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

##### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

### 3 Interior Contracts Limited

#### Notes to the financial statements (continued) Year ended 31 December 2019

#### 4. Turnover

Turnover arises from:

	2019	2018
	£	£
Construction contracts	27,085,376	35,180,265

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

#### 5. Other operating income

	2019	2018
	£	£
Management charges receivable	54,108	57,590
Government grant income	6,300	12,718
	<u>60,408</u>	<u>70,308</u>

#### 6. Operating profit/loss

Operating profit/loss is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation of tangible assets	27,557	73,103
(Gain)/loss on disposal of tangible assets	(14,214)	(4,000)
Cost of stocks recognised as an expense	2,975,428	7,938,388
Impairment of trade debtors	28,239	(185)
Operating lease rentals	21,037	10,988
Fees payable for the audit of the financial statements	<u>4,000</u>	<u>4,000</u>

### 3 Interior Contracts Limited

#### Notes to the financial statements (continued) Year ended 31 December 2019

#### 7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2019	2018
Production staff	37	35
Administrative staff	4	4
	<u>41</u>	<u>39</u>

The aggregate payroll costs incurred during the year were:

	2019	2018
	£	£
Wages and salaries	2,162,062	1,547,743
Other pension costs	26,400	256,700
	<u>2,188,462</u>	<u>1,804,443</u>

#### 8. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2019	2018
	£	£
Remuneration	830,468	33,243
Company contributions to pension schemes in respect of qualifying services	26,400	256,700
	<u>856,868</u>	<u>289,943</u>

Remuneration of the highest paid directors in respect of qualifying services:

	2019	2018
	£	£
Aggregate remuneration	120,000	52,900
	<u>120,000</u>	<u>52,900</u>

#### 9. Income from shares in group undertakings

	2019	2018
	£	£
Income from shares in group undertakings	<u>250,000</u>	<u>140,000</u>

#### 10. Other interest receivable and similar income

	2019	2018
	£	£
Bank deposits	<u>4,726</u>	<u>5,692</u>

### 3 Interior Contracts Limited

#### Notes to the financial statements (continued) Year ended 31 December 2019

#### 11. Amounts written off connected company balances

	2019	2018
	£	£
Amounts written off connected company balances	-	2,388,524

On 16 March 2018 a Debt Release Waiver was signed by Steermount Limited (as borrower) and 3 Interior Contracts Limited (as Lender). From 16 March 2018 the borrower was irrevocably and unconditionally released and discharged in full by the Lender from any obligation or liability due or owing to the Lender pursuant to the original loan.

Steermount Limited is a company registered in Northern Ireland and owned by Phillip Moorhead (50%) and Stephen Purdy (50%).

#### 12. Interest payable and similar expenses

	2019	2018
	£	£
Other loans made to the company:		
Finance leases and hire purchase contracts	743	1,501
	<u>743</u>	<u>1,501</u>

### 3 Interior Contracts Limited

#### Notes to the financial statements (continued) Year ended 31 December 2019

#### 13. Tax on profit/loss

##### Major components of tax income/expense

	2019 £	2018 £
<b>Current tax:</b>		
UK current tax expense	179,242	302,317
Adjustments in respect of previous periods	(464,198)	-
<b>Tax on profit/loss</b>	<u>(284,956)</u>	<u>302,317</u>

##### Reconciliation of tax income/expense

The tax assessed on the profit/loss for the year is lower than (2018: higher than) the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%).

	2019 £	2018 £
Profit/(loss) before taxation	<u>2,276,630</u>	<u>(664,871)</u>
Profit/(loss) multiplied by rate of tax	432,560	(126,325)
Adjustments in respect of prior periods	(464,198)	-
Effect of expenses not deductible for tax purposes	1,520	455,427
Effect of capital allowances and depreciation	310	575
Effect of revenue exempt from tax	(47,500)	(27,360)
Utilisation of tax losses	<u>(207,648)</u>	<u>-</u>
<b>Tax on profit/loss</b>	<u>(284,956)</u>	<u>302,317</u>

#### 14. Dividends

##### Equity dividends

	2019 £	2018 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>2,253,910</u>	<u>2,674,624</u>

### 3 Interior Contracts Limited

#### Notes to the financial statements (continued) Year ended 31 December 2019

#### 15. Tangible assets

	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2019	181,226	11,327	238,157	430,710
Additions	-	2,700	-	2,700
Disposals	-	-	(100,145)	(100,145)
<b>At 31 December 2019</b>	<u>181,226</u>	<u>14,027</u>	<u>138,012</u>	<u>333,265</u>
<b>Depreciation</b>				
At 1 January 2019	145,014	6,847	158,530	310,391
Charge for the year	9,053	1,795	16,709	27,557
Disposals	-	-	(66,359)	(66,359)
<b>At 31 December 2019</b>	<u>154,067</u>	<u>8,642</u>	<u>108,880</u>	<u>271,589</u>
<b>Carrying amount</b>				
<b>At 31 December 2019</b>	<u>27,159</u>	<u>5,385</u>	<u>29,132</u>	<u>61,676</u>
At 31 December 2018	<u>36,212</u>	<u>4,480</u>	<u>79,627</u>	<u>120,319</u>

#### 16. Investments

	Shares in group undertakings	Total
	£	£
<b>Cost</b>		
At 1 January 2019 and 31 December 2019	<u>40,200</u>	<u>40,200</u>
<b>Impairment</b>		
At 1 January 2019 and 31 December 2019	<u>-</u>	<u>-</u>
<b>Carrying amount</b>		
<b>At 31 December 2019</b>	<u>40,200</u>	<u>40,200</u>
At 31 December 2018	<u>40,200</u>	<u>40,200</u>

Timbermark Manufacture Limited is a company registered in Northern Ireland. 3 Interior Contracts Limited has a 50% shareholding in Timbermark Manufacture Limited.

### 3 Interior Contracts Limited

#### Notes to the financial statements (continued) Year ended 31 December 2019

#### 17. Stocks

	2019	2018
	£	£
Work in progress	2,250,404	2,554,850

#### 18. Debtors

	2019	2018
	£	£
Trade debtors	1,942,978	2,203,679
Prepayments and accrued income	4,013	74,342
Other debtors	137,404	457,858
	<u>2,084,395</u>	<u>2,735,879</u>

Other debtors includes an amount of £17,823 due from Timbermark Manufacture Limited (a connected company). Timbermark Manufacture Limited is a company registered in Northern Ireland. 3 Interior Contracts Limited has a 50% shareholding in Timbermark Manufacture Limited. Also included in other debtors is an amount of £97,581 due from 3 Interior Holdings limited. 3 Interior Holdings Limited holds 100% of the shares in 3 Interior Contracts Limited.

#### 19. Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	2,460,992	1,560,434
Bank overdrafts	(18,732)	(28,349)
	<u>2,442,260</u>	<u>1,532,085</u>

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

	2019	2018
	£	£
Bank loans and overdrafts	18,732	28,349
Trade creditors	1,428,287	766,192
Accruals and deferred income	2,405,225	3,795,630
Corporation tax	179,242	66,998
Social security and other taxes	313,698	100,661
Obligations under finance leases	10,956	20,001
Director loan accounts	3,735	3,735
	<u>4,359,875</u>	<u>4,781,566</u>

### 3 Interior Contracts Limited

#### Notes to the financial statements (continued) Year ended 31 December 2019

#### 21. Obligations under finance leases

##### Company lessee

The total future minimum lease payments under finance lease agreements are as follows:

	2019	2018
	£	£
Not later than 1 year	10,956	20,001
Present value of minimum lease payments	<u>10,956</u>	<u>20,001</u>

#### 22. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £26,400 (2018: £256,700).

#### 23. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2019	2018
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	<u>6,300</u>	<u>12,718</u>

#### 24. Called up share capital Issued, called up and fully paid

	2019		2018	
	No	£	No	£
Ordinary shares shares of £ 1.00 each	<u>2,601</u>	<u>2,601</u>	<u>2,601</u>	<u>2,601</u>

#### 25. Reserves

Profit and loss account:

This reserve records retained earnings and accumulated losses.

#### 26. Controlling party

The company is owned and controlled by 3 Interior Holdings Limited which owns 100% of the share capital of the company.