

Company Registration No. 04510044 (England and Wales)

# **TAYLOR & BRAITHWAITE LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 NOVEMBER 2019**

## **TAYLOR & BRAITHWAITE LIMITED**

### **COMPANY INFORMATION**

---

<b>Directors</b>	Mr P Taylor Mr I Burton Mrs M Taylor Mrs L Burton Mr H Taylor
<b>Secretary</b>	Mr H Taylor
<b>Company number</b>	04510044
<b>Registered office</b>	Dyke Nook Sandford Appleby-in-Westmorland CA16 6NS
<b>Auditor</b>	MHA Moore and Smalley Kendal House Murley Moss Business Village Oxenholme Road Kendal LA9 7RL

---

# **TAYLOR & BRAITHWAITE LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Profit and loss account	8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 - 24

---

# **TAYLOR & BRAITHWAITE LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 30 NOVEMBER 2019**

---

The directors present the strategic report for the year ended 30 November 2019.

### **Fair review of the business**

The principal activity of the company during the year was that of the sale of new construction equipment supplied from a number of international manufacturing companies and also the purchase and sale of used construction equipment and the sale of related spare parts and services.

After achieving sales growth of 61% from 2017 to 2018, the directors are more than satisfied with the performance of the company and consolidating the business in the current year. Turnover was £16.8m (2018: £18.8m). Net profit, after exceptional item (note 5) was £674k (2018: £959k) with aftersales profitability contributing more within the year.

### **Principal risks and uncertainties**

As in all businesses, the company is subject to a number of risks which it seeks to mitigate. The principal risks and areas of uncertainty are as follows:

#### **Supplier risk**

The company is reliant on the continuation of its supply chain, and is dependent on them for the manufacture and supply of quality new construction equipment. However, we have a strong working relationship with our suppliers, whilst also constantly monitoring our supply chain and looking for supplier opportunities to increase our product portfolio. In 2019 Irish Manufacturing Services was added to compliment the existing product range for Crushing and Screening and increase sales potential. This also provides the first national franchise. Yanmar Construction Equipment has been added in 2020 to expand our Mini Excavator product range and to increase our exposure in these high-volume markets. In 2020 we will be ceasing our Pronar franchise.

#### **Competition risk**

The new and used construction equipment market is a competitive one and there is always the risk that customers will look to other suppliers or the internet. The company continually monitors its product range to ensure it is competitively priced whilst also responding to the activities of the market as necessary.

#### **Credit risk**

There is always the potential for customers to not pay their debts as they fall due. However, these are tightly controlled as machines are not released to the customer until paid, and we have expanded our credit control department to minimise our risk.

#### **Economic downturn**

The UK economy has entered a recession. We feel this should be reasonably short term due to many large-scale major infrastructure projects starting and the government's need to build, we feel that the construction industry will not be as badly impacted as per previous recessions.

#### **Brexit**

Brexit has the potential to disrupt trade, reduce customer demand and increase costs if the outcome leads to unfavourable or restrictive trade agreements. The company has planned around a hard Brexit scenario to ensure it can handle any predicted changes to import and export processes. Additional safety stock of EU sourced products will be sourced as necessary to manage production risk.

#### **Covid-19**

The Covid-19 pandemic has created significant economic uncertainty. The full extent of this impact is unknown. The company is closely monitoring the latest public health advice and the advice and financial help offered by Government backed schemes and by suppliers to help mitigate the impact.

## **TAYLOR & BRAITHWAITE LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2019**

---

#### **Key performance indicators**

The company monitors its performance using a number of measures. These include:

Turnover - £16.8m (2018: £18.8m)

Gross profit - £2.5m (2018: £2.6m)

Net profit - £674k (2018: £959k)

Gross assets - £7.0m (2018: £7.0m)

On behalf of the board

**Mr P Taylor**  
**Director**

2 October 2020

# **TAYLOR & BRAITHWAITE LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 NOVEMBER 2019**

---

The directors present their annual report and financial statements for the year ended 30 November 2019.

### **Principal activities**

The principal activity of the company during the year was that of the sale of new construction equipment supplied from a number of international manufacturing companies and also the purchase and sale of used construction equipment and the sale of related spare parts and services.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P Taylor  
Mr I Burton  
Mrs M Taylor  
Mrs L Burton  
Mr H Taylor

### **Results and dividends**

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £327,400. The directors do not recommend payment of a final dividend.

### **Future developments**

The full impact of Covid-19 is still unknown. Through initially retaining a skeleton staff we were able to offer a full aftersales service to customers who continued to trade through the initial period of impact. All non-essential staff were furloughed and salary payments of 80% reclaimed through the Government's Job Retention Scheme. Once some of the initial lockdown restrictions were eased, the company began to unfurlough its staff to meet the increased demand. The company has maintained a good working relationship with its suppliers and availed itself to repayment holidays where offered.

The expected long-term impact of Covid-19 is still not totally known. We anticipate returning to 80% of 2019 levels by year end. We will continue to monitor staff levels and overheads. We fully expect to operate at this level with no major changes to the structure of the business.

### **Auditor**

MHA Moore and Smalley were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

**Mr P Taylor**  
**Director**

2 October 2020

## **TAYLOR & BRAITHWAITE LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

#### **FOR THE YEAR ENDED 30 NOVEMBER 2019**

---

The directors are responsible for preparing the annual 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 & BRAITHWAITE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF TAYLOR & BRAITHWAITE LIMITED**

---

#### **Opinion**

We have audited the financial statements of Taylor & Braithwaite Limited (the 'company') for the year ended 30 November 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, 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 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 30 November 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 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.



## **TAYLOR & BRAITHWAITE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF TAYLOR & BRAITHWAITE LIMITED**

---

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

##### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 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.

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

##### **Other matters which we are required to address**

The financial statements of Taylor & Braithwaite Limited for the year ended 30 November 2018 were not audited as for that year the company was eligible and claimed exemption from audit under section 477 of the Companies Act 2006.

## **TAYLOR & BRAITHWAITE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF TAYLOR & BRAITHWAITE LIMITED**

---

##### **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.

**Ian Clark (Senior Statutory Auditor)**  
**for and on behalf of MHA Moore and Smalley**  
**Chartered Accountants**  
**Statutory Auditor**

Kendal House  
Murley Moss Business Village  
Oxenholme Road  
Kendal  
LA9 7RL

5 October 2020

**TAYLOR & BRAITHWAITE LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 30 NOVEMBER 2019**

	Notes	2019 £	2018 £
<b>Turnover</b>	<b>3</b>	16,778,389	18,823,783
Cost of sales		(14,258,400)	(16,267,160)
<b>Gross profit</b>		<u>2,519,989</u>	<u>2,556,623</u>
Administrative expenses		(1,293,278)	(1,339,067)
Other operating income		12,019	25,196
<b>Operating profit</b>	<b>4</b>	<u>1,238,730</u>	<u>1,242,752</u>
Interest receivable and similar income		(8,333)	8,333
Interest payable and similar expenses	<b>8</b>	(72,844)	(71,622)
Exceptional item	<b>5</b>	(319,525)	-
<b>Profit before taxation</b>		<u>838,028</u>	<u>1,179,463</u>
Tax on profit	<b>9</b>	(164,143)	(220,456)
<b>Profit for the financial year</b>		<u><u>673,885</u></u>	<u><u>959,007</u></u>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

**TAYLOR & BRAITHWAITE LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 NOVEMBER 2019**

---

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	673,885	959,007
<b>Other comprehensive income</b>	-	-
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	673,885	959,007
	<hr/> <hr/>	<hr/> <hr/>

# TAYLOR & BRAITHWAITE LIMITED

## BALANCE SHEET

AS AT 30 NOVEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	11		1,073,377		1,106,043
<b>Current assets</b>					
Stocks	12	3,136,063		3,413,813	
Debtors	13	1,282,723		1,310,183	
Cash at bank and in hand		1,471,539		1,196,037	
		<u>5,890,325</u>		<u>5,920,033</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(3,792,551)</u>		<u>(4,180,372)</u>	
<b>Net current assets</b>			<u>2,097,774</u>		<u>1,739,661</u>
<b>Total assets less current liabilities</b>			<u>3,171,151</u>		<u>2,845,704</u>
<b>Creditors: amounts falling due after more than one year</b>	15		(14,903)		(36,570)
<b>Provisions for liabilities</b>	17		(40,201)		(39,572)
<b>Net assets</b>			<u><u>3,116,047</u></u>		<u><u>2,769,562</u></u>
<b>Capital and reserves</b>					
Called up share capital	20		3,000		3,000
Profit and loss reserves			<u>3,113,047</u>		<u>2,766,562</u>
<b>Total equity</b>			<u><u>3,116,047</u></u>		<u><u>2,769,562</u></u>

The financial statements were approved by the board of directors and authorised for issue on 2 October 2020 and are signed on its behalf by:

**Mr P Taylor**  
Director

**Mr I Burton**  
Director

**Company Registration No. 04510044**

**TAYLOR & BRAITHWAITE LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 NOVEMBER 2019**

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 December 2017</b>		3,000	2,131,955	2,134,955
<b>Year ended 30 November 2018:</b>				
Profit and total comprehensive income for the year		-	959,007	959,007
Dividends	10	-	(324,400)	(324,400)
<b>Balance at 30 November 2018</b>		3,000	2,766,562	2,769,562
<b>Year ended 30 November 2019:</b>				
Profit and total comprehensive income for the year		-	673,885	673,885
Dividends	10	-	(327,400)	(327,400)
<b>Balance at 30 November 2019</b>		3,000	3,113,047	3,116,047

# TAYLOR & BRAITHWAITE LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	23	44,162		1,275,643	
Interest paid		(72,844)		(71,622)	
Income taxes paid		(221,653)		(130,775)	
<b>Net cash (outflow)/inflow from operating activities</b>		(250,335)		1,073,246	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(88,392)		(414,448)	
Proceeds on disposal of tangible fixed assets		37,100		37,617	
Interest received		(8,333)		8,333	
<b>Net cash used in investing activities</b>		(59,625)		(368,498)	
<b>Financing activities</b>					
Receipt of finance leases		1,794,510		916,171	
Payment of finance leases obligations		(1,080,648)		(967,617)	
Dividends paid		(128,400)		(119,400)	
<b>Net cash generated from/(used in) financing activities</b>		585,462		(170,846)	
<b>Net increase in cash and cash equivalents</b>		275,502		533,902	
Cash and cash equivalents at beginning of year		1,196,037		662,135	
<b>Cash and cash equivalents at end of year</b>		1,471,539		1,196,037	

# **TAYLOR & BRAITHWAITE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 NOVEMBER 2019**

---

#### **1 Accounting policies**

##### **Company information**

Taylor & Braithwaite Limited is a private company limited by shares incorporated in England and Wales. The registered office is Dyke Nook, Sandford, Appleby-in-Westmorland, CA16 6NS.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### **1.2 Going concern**

The Covid-19 pandemic has created significant economic uncertainty for the economy as a whole. Information available to inform expectations, together with the actions of Government, are changing daily. For that reason it is extremely difficult to reliably forecast the future trading for the company at this time.

The company has enjoyed successful trading for many years and has developed a strong balance sheet with health cash reserves. The company achieved a trading profit for the year ended 30 November 2019 despite various challenges in the construction equipment industry.

We have an excellent relationship with our suppliers and are receiving regular information as to the support available to us.

We are aware of the support that Government has pledged to the business community, to do everything they believe necessary, including time to pay arrangements, bank loan guarantees, grants, The Coronavirus Job Retention Scheme and other reliefs. We have, and will continue, to take advantage of the support available as and when required, ensuring that we continue to operate within our available cash reserves and facilities through this period of uncertainty. The company has sizeable cash reserves at the date of approval of these financial statements.

After considering the impact of the above, at the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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



# TAYLOR & BRAITHWAITE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

### 1 Accounting policies

(Continued)

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings freehold	- Land - Nil, Buildings - 2% Straight Line
Fixtures, fittings & equipment	- 15%/25% Reducing Balance
Motor vehicles	- 25%/30% Reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

The directors consider that freehold land and buildings are maintained in such a state of repair that their residual value is at least equal to their net book value. As a result, the corresponding depreciation would not be material and therefore is not charged in the profit and loss account.

The directors perform annual impairment reviews to ensure that the recoverable amount is not lower than the carrying value.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

## TAYLOR & BRAITHWAITE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

#### 1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### 1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

##### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

###### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

###### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

##### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# TAYLOR & BRAITHWAITE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

### 1 Accounting policies

(Continued)

#### 1.12 Finance creditors and operating leases

Obligations are classified as finance creditors whenever the terms of the agreement transfer substantially all the risks and rewards of ownership to the company. All other obligations are classified as operating leases.

Assets held under finance creditors are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance creditor obligation. Creditor payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### 1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### 2 Judgements and key sources of estimation uncertainty

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

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

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Stock provision

Provision has been made against the value of used stock and older parts stock. Additional provision is included on a line by line basis when necessary.

### 3 Turnover and other revenue

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Sales	16,442,382	18,496,039
Hire income	336,007	327,744
	<u>16,778,389</u>	<u>18,823,783</u>

# TAYLOR & BRAITHWAITE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

### 3 Turnover and other revenue (Continued)

	2019 £	2018 £
<b>Other significant revenue</b>		
Interest income	(8,333)	8,333

	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	16,778,389	18,823,783

### 4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	25,099	2,489
Fees payable to the company's auditor for the audit of the company's financial statements	6,000	-
Depreciation of owned tangible fixed assets	70,118	64,448
Depreciation of tangible fixed assets held under finance leases	17,402	4,662
(Profit)/loss on disposal of tangible fixed assets	(3,562)	13,418
Operating lease charges	4,793	2,934

Exchange differences recognised in profit or loss during the year amounted to £25,099 (2018 - £2,489).

### 5 Exceptional item

The exceptional item represents the impairment of the company's debtor balance with a company with common directors / shareholders.

# TAYLOR & BRAITHWAITE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Directors	5	5
Sales	6	5
Service	12	10
Admin	5	3
	<u>28</u>	<u>23</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	738,138	754,234
Social security costs	90,868	82,103
Pension costs	163,744	142,286
	<u>992,750</u>	<u>978,623</u>

### 7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	17,174	17,149
Company pension contributions to defined contribution schemes	120,000	120,000
	<u>137,174</u>	<u>137,149</u>

### 8 Interest payable and similar expenses

	2019 £	2018 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on finance leases and hire purchase contracts	28,884	29,275
<b>Other finance costs:</b>		
Other interest	43,960	42,347
	<u>72,844</u>	<u>71,622</u>

# TAYLOR & BRAITHWAITE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

### 9 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	164,500	222,639
Adjustments in respect of prior periods	(986)	(3,433)
Total current tax	163,514	219,206
<b>Deferred tax</b>		
Origination and reversal of timing differences	(6)	1,250
Adjustment in respect of prior periods	635	-
Total deferred tax	629	1,250
Total tax charge	164,143	220,456

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	838,028	1,179,463
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	159,225	224,098
Tax effect of expenses that are not deductible in determining taxable profit	539	4,447
Effect of change in corporation tax rate	4,730	(4,656)
Under/(over) provided in prior years	(351)	(3,433)
Taxation charge for the year	164,143	220,456

### 10 Dividends

	2019 £	2018 £
Interim paid	327,400	324,400

The recurring post year end monthly dividend payable is £7,033 (2018 - £7,033).

# TAYLOR & BRAITHWAITE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

### 11 Tangible fixed assets

	Land and buildings freehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 December 2018	909,131	178,016	340,709	1,427,856
Additions	-	10,064	78,328	88,392
Disposals	-	-	(82,093)	(82,093)
At 30 November 2019	909,131	188,080	336,944	1,434,155
<b>Depreciation and impairment</b>				
At 1 December 2018	136,851	70,915	114,047	321,813
Depreciation charged in the year	-	27,682	59,838	87,520
Eliminated in respect of disposals	-	-	(48,555)	(48,555)
At 30 November 2019	136,851	98,597	125,330	360,778
<b>Carrying amount</b>				
At 30 November 2019	772,280	89,483	211,614	1,073,377
At 30 November 2018	772,280	107,101	226,662	1,106,043

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2019 £	2018 £
Motor vehicles	48,208	65,610

### 12 Stocks

	2019 £	2018 £
Finished goods and goods for resale	3,136,063	3,413,813

# **TAYLOR & BRAITHWAITE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2019**

### **13 Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	1,044,083	776,397
Other debtors	182,220	512,077
Prepayments and accrued income	56,420	21,709
	<u>1,282,723</u>	<u>1,310,183</u>

### **14 Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
	<b>Notes</b>	
Obligations under finance creditors	<b>16</b>	534,576
Trade creditors		2,210,616
Corporation tax		222,639
Other taxation and social security		337,275
Other creditors		638,797
Accruals and deferred income		236,469
	<u>3,792,551</u>	<u>4,180,372</u>

Included within obligations under finance creditors is an amount of £1,249,285 (2018: £514,363) secured on items of stock at 30 November 2019 and an amount of £20,820 (2018: £20,213) secured by fixed charges on the fixed assets concerned.

### **15 Creditors: amounts falling due after more than one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
	<b>Notes</b>	
Obligations under finance creditors	<b>16</b>	36,570
	<u>14,903</u>	<u>36,570</u>

Net obligations under finance creditors of £14,903 (2018: £36,570) are secured by fixed charges on the assets concerned.

### **16 Finance creditor obligations**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Future minimum lease payments due under finance creditors:</b>		
Within one year	1,270,105	534,576
In two to five years	14,903	36,570
	<u>1,285,008</u>	<u>571,146</u>



# TAYLOR & BRAITHWAITE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

### 16 Finance creditor obligations

(Continued)

Finance creditor payments represent rentals payable by the company for certain items of plant and machinery and stock. Creditors include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average finance term is less than one year. All creditor agreements are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 17 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	18	40,201	39,572

### 18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2019 £	Liabilities 2018 £
<b>Balances:</b>		
Accelerated capital allowances	40,201	39,572
<b>Movements in the year:</b>		2019 £
Liability at 1 December 2018		39,572
Charge to profit or loss		629
Liability at 30 November 2019		40,201

### 19 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	163,744	142,286

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

# TAYLOR & BRAITHWAITE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

### 20 Share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1,124 'A' Ordinary of £1 each	1,124	1,124
674 'B' Ordinary of £1 each	674	674
422 'C' Ordinary of £1 each	422	422
360 'D' Ordinary of £1 each	360	360
330 'E' Ordinary of £1 each	330	330
30 'F' Ordinary of £1 each	30	30
30 'G' Ordinary of £1 each	30	30
30 'H' Ordinary of £1 each	30	30
	<u>3,000</u>	<u>3,000</u>

All shares rank pari passu. Members have the right to receive notice of, attend and vote at general meetings of the company. Members have the right to participate in all legally declared dividends and in the event of winding up are entitled to participate in any distributions. The shares are not redeemable.

### 21 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	4,788	4,788
Between two and five years	3,192	7,980
	<u>7,980</u>	<u>12,768</u>

### 22 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Dividends paid		Interest paid/(received)	
	2019 £	2018 £	2019 £	2018 £
Key management personnel	327,400	324,400	-	-
Other related parties	-	-	8,333	(8,333)
	<u>327,400</u>	<u>324,400</u>	<u>8,333</u>	<u>(8,333)</u>

# TAYLOR & BRAITHWAITE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

### 22 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	2019 £	2018 £
<b>Amounts due to related parties</b>		
Key management personnel	659,215	638,796

The following amounts were outstanding at the reporting end date:

	2019 £	2018 £
<b>Amounts due from related parties</b>		
Other related parties	182,220	512,077

During the year amounts totalling £319,525 were written off amounts due from other related parties.

### 23 Cash generated from operations

	2019 £	2018 £
Profit for the year after tax	673,885	959,007
<b>Adjustments for:</b>		
Taxation charged	164,143	220,456
Finance costs	72,844	71,622
Investment income	8,333	(8,333)
(Gain)/loss on disposal of tangible fixed assets	(3,562)	13,418
Exceptional item	319,525	-
Depreciation and impairment of tangible fixed assets	87,520	69,110
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	277,750	(1,174,222)
(Increase) in debtors	(292,065)	(595,796)
(Decrease)/increase in creditors	(1,264,211)	1,720,381
<b>Cash generated from operations</b>	<b>44,162</b>	<b>1,275,643</b>

### 24 Analysis of changes in net funds

	1 December 2018 £	Cash flows £	30 November 2019 £
Cash at bank and in hand	1,196,037	275,502	1,471,539
Obligations under finance leases	(571,146)	(713,862)	(1,285,008)
	<b>624,891</b>	<b>(438,360)</b>	<b>186,531</b>

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