

Company Registration No. 00703979 (England and Wales)

Tom Willoughby Limited

**Annual report and financial statements
for the year ended 31 December 2019**

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Tom Willoughby Limited

Company information

Directors	Paul Blades Derek Greenwell William Darren Johnson Keith Noddings
Secretary	Derek Greenwell
Company number	00703979
Registered office	Construction House Northallerton North Yorkshire DL7 8ED
Independent auditor	Saffery Champness LLP Mitre House North Park Road Harrogate North Yorkshire HG1 5RX

Tom Willoughby Limited

Contents

	Page
Strategic report	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Notes to the financial statements	11 - 27

Tom Willoughby Limited

Strategic report

For the year ended 31 December 2019

The directors present the strategic report for the year ended 31 December 2019.

Fair review of the business

The Directors are pleased with the 2019 results. Turnover has increased by 14% from 2018, whilst maintaining a gross profit percentage of 11.3%, slightly down on 2018 levels.

Net Assets remain constant at £1.6m following a dividend paid to the Parent Company.

In the last quarter of 2019, the company was awarded a renewal to one of its Term Maintenance Contracts, which will secure a level of turnover for the next 2 years.

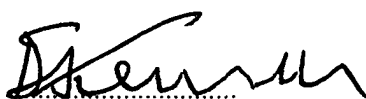
The company is optimistic of producing profitable results in 2020, despite the effect of COVID-19. After a very positive first quarter, the COVID-19 situation resulted in a downturn in workload from its Term Maintenance Contracts during the second quarter. However, the company has managed the situation effectively, with sites remaining open and able to operate in accordance with the Government's safe working practices issued through the Construction Leadership Council, and secured workload for the second half of the year is now increasing.

During the 2nd quarter of 2020 the company was also successful on a bid for a new 4 year Framework Contract worth £5 million.

We believe the key to the success of the business is our focus on the quality of service we provide, whilst maintaining and building relationships with our clients. This helps us to gain negotiated works, whilst the tendering market continues to see unrealistically low prices being submitted by some of our competitors.

The company has a low turnover of staff creating a good team working environment and gives a known point of contact to our clients, further building on these relationships.

On behalf of the board



Derek Greenwell

Director

Date 13th July 2020

**Directors' report
For the year ended 31 December 2019**

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

Principal activities

The principal activity of the company continued to be that of term maintenance and project works.

Directors

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

Paul Blades
Derek Greenwell
William Darren Johnson
Keith Noddings

Results and dividends

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

Ordinary dividends amounting to £310,000 were paid to the Parent company. The directors do not recommend payment of a further dividend.

Financial instruments

Financial risk management objectives and policies

The company's principal financial instruments comprise cash, trade debtors and trade creditors which arise directly from its operations. The company does not enter into derivative transactions and it is the company's policy that no trading in financial instruments be undertaken. The main risk arising from the company's financial instruments is credit risk. The company does not rely on external financing.

Credit risk

The company trades very selectively with creditworthy third parties. Trade debtor balances are monitored on an ongoing basis with the result that the company's exposure to bad debt is not considered to be significant.

Auditor

Saffery Champness LLP have expressed their willingness to continue in office.

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.

Tom Willoughby Limited

Directors' report (continued)

For the year ended 31 December 2019

On behalf of the board

A handwritten signature in black ink, appearing to read 'D Greenwell', written over a dotted line.

Derek Greenwell

Director

Date:

13th Jan / 2020

**Directors' responsibilities statement
For the year ended 31 December 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.

Opinion

We have audited the financial statements of Tom Willoughby Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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.

Independent auditor's report (continued)
To the member of Tom Willoughby Limited

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 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.

Independent auditor's report (continued)
To the member of Tom Willoughby Limited

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.

Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Handwritten signature of Martin Holden in black ink, followed by the text "LLP." and a long horizontal flourish line.

Martin Holden (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Date: 15 July 2020

Chartered Accountants
Statutory Auditors

Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

Tom Willoughby Limited

**Statement of comprehensive income
For the year ended 31 December 2019**

		2019	2018
	Notes	£	£
Revenue	3	18,505,862	16,215,120
Cost of sales		(16,418,992)	(14,230,654)
Gross profit		<u>2,086,870</u>	<u>1,984,466</u>
Administrative expenses		(1,694,931)	(1,511,714)
Exceptional item	4	-	(125,500)
Operating profit	5	<u>391,939</u>	<u>347,252</u>
Investment income	8	694	-
Profit before taxation		<u>392,633</u>	<u>347,252</u>
Tax on profit	9	(68,134)	(69,062)
Profit for the financial year		<u><u>324,499</u></u>	<u><u>278,190</u></u>

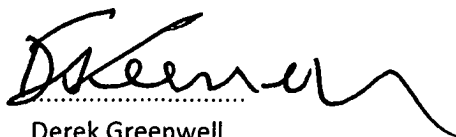
The income statement has been prepared on the basis that all operations are continuing operations.

Tom Willoughby Limited

**Statement of financial position
As at 31 December 2019**

	Notes	2019 £	£	2018 £	£
Non-current assets					
Property, plant and equipment	11		66,249		67,926
Current assets					
Inventories	12	1,810,889		1,070,156	
Trade and other receivables	13	799,671		831,936	
Cash and cash equivalents		2,161,668		2,159,511	
		4,772,228		4,061,603	
Current liabilities	14	(2,628,882)		(2,071,356)	
Net current assets			2,143,346		1,990,247
Total assets less current liabilities			2,209,595		2,058,173
Provisions for liabilities	15		(616,800)		(479,877)
Net assets			1,592,795		1,578,296
Equity					
Called up share capital	18		10,000		10,000
Retained earnings	19		1,582,795		1,568,296
Total equity			1,592,795		1,578,296

The financial statements were approved by the board of directors and authorised for issue on 15th Jan 2020 and are signed on its behalf by:



Derek Greenwell
Director

Company Registration No. 00703979

Tom Willoughby Limited

**Statement of changes in equity
For the year ended 31 December 2019**

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 January 2018		10,000	1,520,106	1,530,106
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	278,190	278,190
Dividends	10	-	(230,000)	(230,000)
Balance at 31 December 2018		10,000	1,568,296	1,578,296
Year ended 31 December 2019:				
Profit and total comprehensive income for the year		-	324,499	324,499
Dividends	10	-	(310,000)	(310,000)
Balance at 31 December 2019		10,000	1,582,795	1,592,795

1 Accounting policies

Company information

Tom Willoughby Limited is a private company limited by shares incorporated in England and Wales. The registered office is Construction House, Northallerton, North Yorkshire, DL7 8ED.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements present information about the company as an individual entity and not about its group.

Tom Willoughby Limited is a wholly owned subsidiary of FT Construction Group (Holdings) Limited, which is itself wholly owned by Fordy Thompson (Holdings) Limited. The results of Tom Willoughby Limited are therefore included in the consolidated financial statements of Fordy Thompson (Holdings) Limited which are available from Construction House, Northallerton.

1 Accounting policies (continued)

1.2 Going concern

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. The directors are aware that these accounts are being signed in the middle of the Coronavirus pandemic which will have an impact on the company and its ability to continue as a going concern. The directors have prepared, reviewed and discussed forecasts and are confident that the company will continue to be a going concern for at least twelve months after the date of signing the accounts.

1.3 Revenue

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Property, plant and equipment

Property, plant and equipment 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:

Fixtures, fittings & equipment	3 to 5 years straight line
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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.

1.5 Impairment of non-current 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.

Notes to the financial statements (continued)
For the year ended 31 December 2019

1 Accounting policies (continued)

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 Inventories

Inventories 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 inventories to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories 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 and cash equivalents

Cash and cash equivalents 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.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements (continued)
For the year ended 31 December 2019

1 Accounting policies (continued)

Basic financial assets

Basic financial assets, which include trade and other receivables, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Notes to the financial statements (continued)
For the year ended 31 December 2019

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 Taxation

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

Notes to the financial statements (continued)
For the year ended 31 December 2019

1 Accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. 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.

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.12 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 non-current 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 Accounting policies (continued)

1.13 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

The company is also a member of the FT Construction Group Pension Scheme, a defined benefit pension scheme which was closed to future accrual in 2002.

The company however is unable to identify its share of the underlying assets and liabilities in the scheme and has accounted for contributions as if it were a defined contribution scheme as follows.

The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between the contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Full details of the scheme are contained in the accounts of the ultimate parent company, Fordy Thompson (Holdings) Limited.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Notes to the financial statements (continued)
For the year ended 31 December 2019

2 Critical accounting 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 known facts, historical experience and other factors including expectations, 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Contract Provisions

The Directors set aside provisions to cover specific issues on completed contracts. The provisions are for any known potential latent defects that have been highlighted to the company and any uncertainty over final account agreements. These provisions are the Directors' best estimates at the time and they are continually reviewed and amended accordingly as and when more certainty over the issues materialise.

3 Revenue

An analysis of the company's revenue is as follows:

	2019	2018
	£	£
Revenue analysed by class of business		
Building and property maintenance	18,505,862	16,215,120
	<u> </u>	<u> </u>
	2019	2018
	£	£
Other significant revenue		
Interest income	694	-
	<u> </u>	<u> </u>

Notes to the financial statements (continued)
For the year ended 31 December 2019

4 Exceptional costs/(income)

	2019	2018
	£	£
Pension provision	-	125,500
	<u> </u>	<u> </u>

This provision is an estimate of the Section 75 debt payable by the company relating to the Pension Act 1995.

5 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	9,500	11,000
Depreciation of owned property, plant and equipment	12,902	12,133
Cost of inventories recognised as an expense	132,319	103,412
Operating lease charges	835,908	694,708
	<u> </u>	<u> </u>

6 Employees

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

	2019	2018
	Number	Number
Production	65	65
Administrative and management	32	31
	<u> </u>	<u> </u>
	97	96
	<u> </u>	<u> </u>

Notes to the financial statements (continued)
For the year ended 31 December 2019

6 Employees (continued)

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	2,828,328	2,703,692
Social security costs	311,802	294,846
Pension costs	115,844	89,102
	<u>3,255,974</u>	<u>3,087,640</u>

7 Directors' remuneration

	2019	2018
	£	£
Remuneration for qualifying services	204,619	191,991
Company pension contributions to defined contribution schemes	27,714	27,404
	<u>232,333</u>	<u>219,395</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2018 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2019	2018
	£	£
Remuneration for qualifying services	123,840	121,393
Company pension contributions to defined contribution schemes	7,265	7,088
	<u>131,105</u>	<u>128,481</u>

8 Investment income

	2019	2018
	£	£
Interest income		
Interest on bank deposits	694	-
	<u>694</u>	<u>-</u>

Notes to the financial statements (continued)
For the year ended 31 December 2019

9 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	50,874	91,781
Deferred tax		
Origination and reversal of timing differences	21,229	(22,719)
Adjustment in respect of prior periods	(3,969)	-
Total deferred tax	17,260	(22,719)
Total tax charge	68,134	69,062

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	392,633	347,252
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	74,600	65,978
Tax effect of expenses that are not deductible in determining taxable profit	-	411
Adjustments in respect of prior years	(3,969)	-
Change in deferred tax rate	(2,497)	2,673
Taxation charge for the year	68,134	69,062

10 Dividends

	2019 £	2018 £
Final paid	310,000	230,000

Notes to the financial statements (continued)
For the year ended 31 December 2019

11 Property, plant and equipment

	Fixtures, fittings & equipment £
Cost	
At 1 January 2019	163,508
Additions	11,225
	<hr/>
At 31 December 2019	174,733
	<hr/>
Depreciation and impairment	
At 1 January 2019	95,582
Depreciation charged in the year	12,902
	<hr/>
At 31 December 2019	108,484
	<hr/>
Carrying amount	
At 31 December 2019	66,249
	<hr/> <hr/>
At 31 December 2018	67,926
	<hr/> <hr/>

12 Inventories

	2019 £	2018 £
Raw materials and consumables	9,892	15,944
Work in progress	1,800,997	1,054,212
	<hr/>	<hr/>
	1,810,889	1,070,156
	<hr/> <hr/>	<hr/> <hr/>

Tom Willoughby Limited

Notes to the financial statements (continued)
For the year ended 31 December 2019

13 Trade and other receivables

	2019	2018
	£	£
Amounts falling due within one year:		
Trade receivables	524,776	558,864
Corporation tax recoverable	-	36,441
Amounts owed by group undertakings	158,801	3,573
Other receivables	57,271	182,913
Prepayments and accrued income	58,823	50,145
	<u>799,671</u>	<u>831,936</u>

14 Current liabilities

	2019	2018
	£	£
Trade payables	1,519,455	1,439,595
Amounts owed to group undertakings	581,348	220,572
Corporation tax	12,844	-
Other taxation and social security	129,144	71,606
Other payables	88,928	5,640
Accruals and deferred income	297,163	333,943
	<u>2,628,882</u>	<u>2,071,356</u>

15 Provisions for liabilities

		2019	2018
	Notes	£	£
Provision against contracts		606,351	490,657
Deferred tax liabilities	16	10,449	-
		<u>616,800</u>	<u>490,657</u>

Notes to the financial statements (continued)
For the year ended 31 December 2019

15 Provisions for liabilities (continued)

Movements on provisions apart from deferred tax liabilities:

	Provision against contracts £
At 1 January 2019	490,657
Additional provisions in the year	165,937
Reversal of provision	(33,951)
Utilisation of provision	(16,292)
At 31 December 2019	<u>606,351</u>

These provisions cover maintenance works required during the defects liability period of contracts. This is calculated as a percentage of our own costs based upon historical information. Once the defect period is complete, normally after 12 months, any surplus provisions are released back into the profit and loss. The provisions also cover any specific known issues as described in Note 2.

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
ACAs	10,449	10,555
Other timing difference	-	(21,335)
	<u>10,449</u>	<u>(10,780)</u>
		2019 £
Movements in the year:		
Liability/(Asset) at 1 January 2019		(10,780)
Charge to profit or loss		21,229
Liability at 31 December 2019		<u>10,449</u>

Tom Willoughby Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2019**17 Retirement benefit schemes**

	2019	2018
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	115,844	89,102

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.

18 Share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary Share Capital of £1 each	10,000	10,000

The company has one class of ordinary shares which carry no right to fixed income.

19 Retained earnings

	2019	2018
	£	£
At the beginning of the year	1,568,296	1,520,106
Profit for the year	324,499	278,190
Dividends declared and paid in the year	(310,000)	(230,000)
At the end of the year	1,582,795	1,568,296

Notes to the financial statements (continued)
For the year ended 31 December 2019

20 Related party transactions

Transactions with related parties

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

	Sales/expenses recharged to related parties in the year		Purchases/expenses recharged from related parties in the year	
	2019 £	2018 £	2019 £	2018 £
Entities under common control (outside group)	3,962	34,255	14,100	18,800

	2019 £	2018 £
Amounts due to related parties		
Entities under common control (within group)	90,546	223,333
Entities under common control (outside group)	-	5,640

The following amounts were outstanding at the reporting end date:

	2019 £	2018 £
Amounts due from related parties		
Entities under common control (within group)	377,999	6,333
Entities under common control (outside group)	-	89

Notes to the financial statements (continued)
For the year ended 31 December 2019

20 Related party transactions (continued)

During the year £nil (2018: £1,000) was invoiced to Mr and Mrs Greenwell. At the year end £nil (2018: £nil) was due from Mr and Mrs Greenwell. In addition, included in work in progress at the year end there was £83,333 (2018: £63,449). This balance has been paid in full after the year end.

During the year £1,194 (2018: £2,489) was invoiced to Paul Blades, a director of the company. At the year end £nil (2018: £nil) was due from Paul Blades.

During the year £nil (2018: £4,567) was invoiced to Keith Caygill, a director of the parent company FT Construction Group (Holdings) Limited. At the year end £nil (2018: £nil) was due from Keith Caygill.

During the year £nil (2018: £59,570) was invoiced to Sarah Wilkinson, a director of the ultimate controlling company, Fordy Thompson (Holdings) Limited. At the year end £nil (2018: £nil) was due from Sarah Wilkinson.

At the year end work in progress contains £44,488 (2018: £20,128) in respect of work carried out in the year for Mrs P Fordy, a shareholder of the ultimate controlling company. During the year £nil (2018: £102,019) was invoiced to Mrs P Fordy and fully paid during the year.

During the year £161 (2018: £nil) was invoiced to Keith Noddings, a director of the company. At the year end £nil (2018: £nil) was due from Keith Noddings.

At the year end work in progress contains £34,333 (2018: £nil) in respect of work carried out in the year for Darren Johnson a director of the company. During the year £47,198 (2018: £nil) was invoiced to Darren Johnson and fully paid during the year.

No guarantees have been given or received for related party balances. All amounts due from and due to related parties are unsecured and are to be settled by cash transfer.

21 Controlling party

The parent company is FT Construction Group (Holdings) Limited, a company registered in England and Wales.

The ultimate controlling party is Fordy Thompson (Holdings) Limited, a company registered in England and Wales.

Fordy Thompson (Holdings) Limited prepares group financial statements, which include the results of Tom Willoughby Limited, and copies can be obtained from Construction House, Northallerton.

22 Reserves

Called-up share capital - represents the nominal value of shares that have been issued.

Profit and loss account - includes all current and prior period retained profits and losses.