

COMPANY REGISTRATION NUMBER: 03565627

J Cheesmur & Sons (Lewes) Ltd
Financial Statements
31 December 2018

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J Cheesmur & Sons (Lewes) Ltd

Financial Statements

Year ended 31 December 2018

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J Cheesmur & Sons (Lewes) Ltd

Strategic Report

Year ended 31 December 2018

Business review

The directors are pleased to report that despite a challenging 12 month period, the company has achieved yet another profitable year.

During the year the company experienced a number of project delays, largely due to changes in client requirements, with some of the larger projects experiencing up to 6 months deferment or delay.

As a result of these delays, a percentage of the revenue forecast for 2018 has carried over into 2019.

Despite the financial challenges such delays present, Cheesmur were extremely pleased to maintain their existing staffing levels, predominantly through careful management and control of the overhead costs as well as absorbing much of our surplus labour and resources into the diverse portfolio of works that we undertake. Taking such a proactive and carefully planned stance during such periods meant that the company was suitably prepared once the delayed projects started in earnest.

With the Construction Industry experiencing a notable increase in project delays (due in part to the uncertainty surrounding Brexit), the escalating costs involved are becoming widely recognised as a major risk to contractors. With this trend expected to continue for the foreseeable future, Cheesmur have taken positive steps to mitigate these risks and are confident that the company is well equipped for the challenges that 2019 will bring.

The board of directors wish to acknowledge and thank the efforts and commitment of all the team at Cheesmur, and our supply chain partners, especially through what has been one of our tougher years in recent times.

In recognition of the importance, value and dedication of our workforce, the company continues to invest in its employees with a number undertaking qualifications during the year, ranging from a Degree, a Diploma, various NVQs and an accounting AAT. In addition, as part of our ongoing support to offer apprenticeships, Cheesmur were pleased to recruit a further two apprentices.

Yet again the company has continued its practice of using local suppliers and sub-contractors as much as possible, with most goods and services purchased from businesses within Sussex.

Maintaining a varied mix of work across a variety of sectors, the company has achieved a position where no customer accounts for more than 25% of turnover. The five largest customers combined accounted for less than 70% of turnover, across both public and private sectors. Relationships with all major customers remain extremely strong, with a significant amount of repeat business.

Key Performance Indicators

As per the previous year, the main key performance indicators are gross profit margin, sales mix, net assets and staffing levels:

- Gross profit margins further improved from 13.4% to 14.5%
- The sales mix of the business has deviated slightly from our ongoing strategy, with the larger projects now accounting for just over 59% of the annual turnover (50% in 2018) and the smaller and specialist traditional and term contracted projects now make up 40%
- Net assets have decreased slightly from £526,269 to £511,105

J Cheesmur & Sons (Lewes) Ltd

Strategic Report *(continued)*

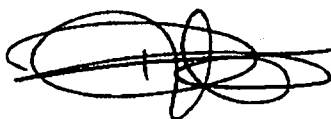
Year ended 31 December 2018

- Employed staff numbers have increased from 61 to 67, largely due to the employment of a number of highly regarded self-employed labour only contractors, thus retaining their services permanently

This report was approved by the board of directors on 11 September 2019 and signed on behalf of the board by:



Mr S D Hayman
Director



Mr T A Nitman
Director

Registered office:
Cobbe Barns
Beddingham
Lewes
East Sussex
BN8 6JU

J Cheesmur & Sons (Lewes) Ltd

Directors' Report

Year ended 31 December 2018

The directors present their report and the financial statements of the company for the year ended 31 December 2018.

Principal activities

The principal activity of the company during the year was that of Building Contractors.

Directors

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

Mr S D Hayman

Mr T A Nitman

Mr J M G Wickenden

Mr J Field

Mr M S O'Hara

(Resigned 29 March 2018)

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Disclosure of information in the strategic report

The company's business review is now included within the strategic report in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

J Cheesmur & Sons (Lewes) Ltd

Directors' Report *(continued)*

Year ended 31 December 2018

Auditor

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

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

This report was approved by the board of directors on 11 September 2019 and signed on behalf of the board by:



Mr S D Hayman
Director



Mr T A Nitman
Director

Registered office:
Cobbe Barns
Beddingham
Lewes
East Sussex
BN8 6JU

J Cheesmur & Sons (Lewes) Ltd

Independent Auditor's Report to the Members of J Cheesmur & Sons (Lewes) Ltd

Year ended 31 December 2018

Opinion

We have audited the financial statements of J Cheesmur & Sons (Lewes) Ltd (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

J Cheesmur & Sons (Lewes) Ltd

Independent Auditor's Report to the Members of J Cheesmur & Sons (Lewes) Ltd (continued)

Year ended 31 December 2018

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

J Cheesmur & Sons (Lewes) Ltd**Independent Auditor's Report to the Members of J Cheesmur & Sons (Lewes) Ltd**
(continued)**Year ended 31 December 2018****Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

J Cheesmur & Sons (Lewes) Ltd

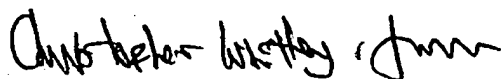
Independent Auditor's Report to the Members of J Cheesmur & Sons (Lewes) Ltd (continued)

Year ended 31 December 2018

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.



Christopher Whitley-Jones (Senior Statutory Auditor)

For and on behalf of
PRB Accountants LLP
Chartered accountants & statutory auditor
Kingfisher House
Hurstwood Grange
Hurstwood Lane
Haywards Heath
West Sussex
RH17 7QX

25/9/19

J Cheesmur & Sons (Lewes) Ltd**Statement of Comprehensive Income****Year ended 31 December 2018**

	Note	2018 £	2017 £
Turnover	4	14,905,594	15,965,268
Cost of sales		12,743,042	13,816,117
Gross profit		2,162,552	2,149,151
Contract management and other direct costs		1,616,353	1,487,645
Administrative expenses		470,969	454,668
Operating profit	5	75,230	206,838
Interest payable and similar expenses	9	7,021	4,628
Profit before taxation		68,209	202,210
Tax on profit	10	16,623	39,529
Profit for the financial year and total comprehensive income		51,586	162,681


All the activities of the company are from continuing operations.

The notes on pages 13 to 22 form part of these financial statements.

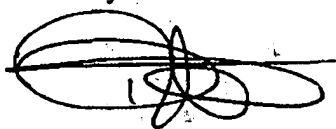
J Cheesmur & Sons (Lewes) Ltd**Statement of Financial Position****31 December 2018**

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	46,096	92,448
Current assets			
Stocks	13	1,245,421	1,259,451
Debtors	14	2,038,181	2,447,242
Cash at bank and in hand		376,724	815,016
		<u>3,660,326</u>	<u>4,521,709</u>
Creditors: amounts falling due within one year	15	<u>3,192,511</u>	<u>4,050,860</u>
Net current assets		<u>467,815</u>	<u>470,849</u>
Total assets less current liabilities		<u>513,911</u>	<u>563,297</u>
Creditors: amounts falling due after more than one year	16	-	26,001
Provisions			
Taxation including deferred tax	18	2,806	11,027
Net assets		<u>511,105</u>	<u>526,269</u>
Capital and reserves			
Called up share capital	20	90,000	90,000
Capital redemption reserve	21	45	45
Profit and loss account	21	421,060	436,224
Shareholders funds		<u>511,105</u>	<u>526,269</u>

These financial statements were approved by the board of directors and authorised for issue on 11 September 2019, and are signed on behalf of the board by:



Mr S D Hayman
Director



Mr T A Nitman
Director

Company registration number: 03565627

The notes on pages 13 to 22 form part of these financial statements.

J Cheesmur & Sons (Lewes) Ltd**Statement of Changes in Equity****Year ended 31 December 2018**

		Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2017		90,000	45	350,293	440,338
Profit for the year		—	—	162,681	162,681
Total comprehensive income for the year		—	—	162,681	162,681
Dividends paid and payable	11	—	—	(76,750)	(76,750)
Total investments by and distributions to owners		—	—	(76,750)	(76,750)
At 31 December 2017		90,000	45	436,224	526,269
Profit for the year		—	—	51,586	51,586
Total comprehensive income for the year		—	—	51,586	51,586
Dividends paid and payable	11	—	—	(66,750)	(66,750)
Total investments by and distributions to owners		—	—	(66,750)	(66,750)
At 31 December 2018		<u>90,000</u>	<u>45</u>	<u>421,060</u>	<u>511,105</u>

The notes on pages 13 to 22 form part of these financial statements.

J Cheesmur & Sons (Lewes) Ltd**Statement of Cash Flows****Year ended 31 December 2018**

	2018	2017
	£	£
Cash flows from operating activities		
Profit for the financial year	51,586	162,681
<i>Adjustments for:</i>		
Depreciation of tangible assets	26,345	30,901
Interest payable and similar expenses	7,021	4,628
Loss on disposal of tangible assets	3,676	—
Tax on profit	16,623	39,529
Accrued income	(191,170)	(60,707)
<i>Changes in:</i>		
Stocks	14,030	(266,740)
Trade and other debtors	409,061	569,799
Trade and other creditors	(598,951)	(857,018)
Cash generated from operations	(261,779)	(376,927)
Interest paid	(7,021)	(4,628)
Tax paid	(32,881)	(31,585)
Net cash used in operating activities	<u>(301,681)</u>	<u>(413,140)</u>
Cash flows from investing activities		
Purchase of tangible assets	(10,920)	(97,389)
Proceeds from sale of tangible assets	27,251	—
Net cash from/(used in) investing activities	<u>16,331</u>	<u>(97,389)</u>
Cash flows from financing activities		
Proceeds from borrowings	(51,237)	(50,238)
Payments of finance lease liabilities	(34,955)	34,955
Dividends paid	(66,750)	(76,750)
Net cash used in financing activities	<u>(152,942)</u>	<u>(92,033)</u>
Net decrease in cash and cash equivalents	(438,292)	(602,562)
Cash and cash equivalents at beginning of year	815,016	1,417,578
Cash and cash equivalents at end of year	<u>376,724</u>	<u>815,016</u>

The notes on pages 13 to 22 form part of these financial statements.

J Cheesmur & Sons (Lewes) Ltd**Notes to the Financial Statements****Year ended 31 December 2018****1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Cobbe Barns, Beddingham, Lewes, East Sussex, BN8 6JU.

2. Statement of compliance

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

3. Accounting policies**Basis of preparation**

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

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

Pensions

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

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows below.

Revenue recognition

Turnover is the amount derived from ordinary activities stated after trade discounts and net of VAT.

Revenue arises from increases in valuations on contracts and is normally determined by external valuations. It is the gross value of work carried out for the period to the balance sheet date. Profit on contracts is calculated in accordance with accounting standards and industry practice. Industry practice is to assess the estimated final outcome of each contract and recognise the profit based upon the percentage of completion of the contract at the relevant date when the contracts outcome can be estimated reliably. The final outcome of each contract is determined by regular review of the revenues and cost to complete the contract.

When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period.

J Cheesmur & Sons (Lewes) Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Income tax

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

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

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

Operating leases

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

Tangible assets

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

Depreciation

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

Plant and machinery	- 5 years
Fixtures and fittings	- 3 years
Motor Vehicles	- 25% reducing balance

Impairment of fixed assets

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

J Cheesmur & Sons (Lewes) Ltd**Notes to the Financial Statements** *(continued)***Year ended 31 December 2018****3. Accounting policies** *(continued)***Impairment of fixed assets** *(continued)*

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

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Finance leases and hire purchase contracts

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

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

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

J Cheesmur & Sons (Lewes) Ltd**Notes to the Financial Statements (continued)****Year ended 31 December 2018****3. Accounting policies (continued)****Financial instruments**

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

Basic financial instruments, such as loans from banks, are measured initially at transaction price and subsequently at amortised cost using the effective interest method. Loans from directors are payable within one year and are measured initially and subsequently at the undiscounted amount of the cash expected to be paid.

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

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

4. Turnover

Turnover arises from:

	2018 £	2017 £
Rendering of services	5,970,574	7,857,162
Construction contracts	8,935,020	8,108,106
	<u>14,905,594</u>	<u>15,965,268</u>

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

5. Operating profit

Operating profit or loss is stated after charging:

	2018 £	2017 £
Depreciation of tangible assets	26,345	30,901
Loss on disposal of tangible assets	3,676	-
Impairment of trade debtors	<u>10,302</u>	<u>3,636</u>

6. Auditor's remuneration

	2018 £	2017 £
Fees payable for the audit of the financial statements	<u>9,750</u>	<u>9,750</u>

J Cheesmur & Sons (Lewes) Ltd**Notes to the Financial Statements (continued)****Year ended 31 December 2018****7. Staff costs**

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

	2018	2017
	No.	No.
Number of employees	<u>67</u>	<u>61</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018	2017
	£	£
Wages and salaries	1,287,250	1,184,092
Social security costs	139,563	117,575
	<u>1,426,813</u>	<u>1,301,667</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2018	2017
	£	£
Remuneration	141,200	149,839
Company contributions to defined contribution pension plans	2,471	1,326
	<u>143,671</u>	<u>151,165</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2018	2017
	No.	No.
Defined contribution plans	<u>4</u>	<u>4</u>

9. Interest payable and similar expenses

	2018	2017
	£	£
Interest on obligations under finance leases and hire purchase contracts	3,490	1,230
Other interest payable and similar charges	3,531	3,398
	<u>7,021</u>	<u>4,628</u>

10. Tax on profit**Major components of tax expense**

	2018	2017
	£	£
Current tax:		
UK current tax expense	24,845	32,881

J Cheesmur & Sons (Lewes) Ltd**Notes to the Financial Statements** *(continued)***Year ended 31 December 2018****10. Tax on profit** *(continued)*

	2018	2017
	£	£
Deferred tax:		
Origination and reversal of timing differences	<u>(8,222)</u>	<u>6,648</u>
Tax on profit	<u>16,623</u>	<u>39,529</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%).

	2018	2017
	£	£
Profit on ordinary activities before taxation	<u>68,209</u>	<u>202,210</u>
Profit on ordinary activities by rate of tax	12,960	38,925
Effect of expenses not deductible for tax purposes	7,294	6,867
Effect of capital allowances and depreciation	<u>4,591</u>	<u>(12,911)</u>
Tax on profit	<u>24,845</u>	<u>32,881</u>

11. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2018	2017
	£	£
Dividends on equity shares	<u>66,750</u>	<u>76,750</u>

J Cheesmur & Sons (Lewes) Ltd**Notes to the Financial Statements (continued)****Year ended 31 December 2018****12. Tangible assets**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 January 2018	13,026	95,253	79,330	187,609
Additions	1,213	9,707	–	10,920
Disposals	–	(4,293)	(42,235)	(46,528)
At 31 December 2018	14,239	100,667	37,095	152,001
Depreciation				
At 1 January 2018	7,868	72,176	15,117	95,161
Charge for the year	1,741	14,553	10,051	26,345
Disposals	–	(4,292)	(11,309)	(15,601)
At 31 December 2018	9,609	82,437	13,859	105,905
Carrying amount				
At 31 December 2018	4,630	18,230	23,236	46,096
At 31 December 2017	5,158	23,077	64,213	92,448

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Motor vehicles £
At 31 December 2018	–
At 31 December 2017	64,213

13. Stocks

	2018 £	2017 £
Raw materials and consumables	3,918	–
Work in progress	1,241,503	1,259,451
	1,245,421	1,259,451

J Cheesmur & Sons (Lewes) Ltd**Notes to the Financial Statements** *(continued)***Year ended 31 December 2018****14. Debtors**

	2018	2017
	£	£
Trade debtors	1,438,233	1,669,823
Amounts recoverable on contracts	416,062	616,550
Prepayments and accrued income	65,000	55,842
Directors loan account	37,639	-
Other debtors	81,247	105,027
	<u>2,038,181</u>	<u>2,447,242</u>

15. Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	52,255	103,492
Trade creditors	2,291,857	2,917,587
Accruals and deferred income	673,691	864,862
Corporation tax	24,845	32,881
Social security and other taxes	90,515	104,559
Obligations under finance leases and hire purchase contracts	-	8,954
Other creditors	59,348	18,525
	<u>3,192,511</u>	<u>4,050,860</u>

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

	2018	2017
	£	£
Obligations under finance leases and hire purchase contracts	<u>-</u>	<u>26,001</u>

17. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2018	2017
	£	£
Not later than 1 year	-	8,954
Later than 1 year and not later than 5 years	-	26,001
	<u>-</u>	<u>34,955</u>

J Cheesmur & Sons (Lewes) Ltd**Notes to the Financial Statements** *(continued)***Year ended 31 December 2018****18. Provisions**

	Deferred tax (note 19) £
At 1 January 2018	11,027
Charge against provision	<u>(8,221)</u>
At 31 December 2018	<u>2,806</u>

19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2018 £	2017 £
Included in provisions (note 18)	<u>2,806</u>	<u>11,027</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018 £	2017 £
Accelerated capital allowances	<u>2,806</u>	<u>11,027</u>

20. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>

21. Reserves

Called-up share capital – This reserve represents the nominal value of shares that have been issued. Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company. Profit and loss account - This reserve records retained earnings and accumulated losses.

22. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018 £	2017 £
Later than 5 years	<u>-</u>	<u>38,000</u>

J Cheesmur & Sons (Lewes) Ltd**Notes to the Financial Statements** *(continued)***Year ended 31 December 2018****23. Directors' advances, credits and guarantees**

During the year the directors entered into the following advances and credits with the company:

	2018		
	Balance brought forward	Advances/ (credits) to the directors	Balance outstanding
	£	£	£
Mr S D Hayman	-	13,000	13,000
Mr T A Nitman	-	24,639	24,639
	-	<u>37,639</u>	<u>37,639</u>

	2017		
	Balance brought forward	Advances/ (credits) to the directors	Balance outstanding
	£	£	£
Mr S D Hayman	-	-	-
Mr T A Nitman	-	-	-
	-	-	-
	-	-	-

24. Related party transactions

The company was under the joint control of Mr T A Nitman and Mr S D Hayman throughout the current year.

At the year end, the company was owed £13,000 by S Hayman, a director of the company. At the year end, the company was owed £24,639 by T Nitman, a director of the company. These loans were repaid within 9 months of the year end.

An amount of £577,752 is included in the work in progress figure, the customer of this project is T Nitman.

25. Registered charges

The Company has a registered charge securing all liabilities to National Westminster Bank Plc by way of a debenture dated 30 April 2010.