

Company registration number 03806421 (England and Wales)

BESPOKE CONSTRUCTION SERVICES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

BESPOKE CONSTRUCTION SERVICES LIMITED

COMPANY INFORMATION

Directors Mr M A Bennett
Mrs N D Bennett
Mr G Kendrick
Mr P Jackson
Mr M L Evans
Mr J Cook (Appointed 1 February 2024)

Secretary Mrs N D Bennett

Company number 03806421

Registered office Merlin House
Halesfield 19
Telford
Shropshire
TF7 4QT

Auditor Sumer Auditco Limited
The Beehive
Beehive Ring Road
London Gatwick Airport
Gatwick
United Kingdom
RH6 0PA

BESPOKE CONSTRUCTION SERVICES LIMITED

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BESPOKE CONSTRUCTION SERVICES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2024

The Board of Directors presents the strategic report for the year ended 31 July 2024.

Review of business

The Company continues to increase revenue through strategic growth. New revenue streams are sought through partnership and equity models alongside our well established contracting base of both Construction and Interior projects. A high percentage of our turnover is obtained via an established customer base often on a negotiated basis with a limited percentage of new business carefully selected by the board. Volatility within both pricing and cost continues but with inflation seemingly peaked legacies remaining are on the decline. Contracting volume output within the sector is on decline in this brings increased competition with margins at risk of further decline. The industry continues to suffer uncertainty and risk increases due customer and liquidity generally. Legislative changes such as BSA, ESG are all now also being factored into an already difficult model. We have employed a dual strategy to limit our exposure to these ongoing challenges. Contract volumes and tenders are being limited in order to control turnover and subsequent exposure to fixed price contracts alongside strict risk profiling of existing and new customers. This approach is unequivocal in order to remain a sustainable and profitable business in a sector that has once again seen a record number of companies entering administration this year.

Bespoke Construction Services' principal activities are delivering high quality Construction projects mainly within the Living sector and Interior contracts within the Distribution/Office sector. The Company has been operating successfully nationwide for 25 years with a consistent performance from our head office in Telford. The Company operates both as Principal Contractor within the Residential sector and as Sub contractor within Office/Logistics. The split of turnover between sectors is now at our target of 70/30 in favour of the Living Sector. This along with the addition of our equity based stakes in schemes we feel gives us both more financial certainty and alternate revenue in order to mitigate our ongoing financial risks.

The Construction Market continues to be extremely challenging but with some stability in sight. Notwithstanding this Bespoke Construction Services Ltd has delivered Sales Revenue of £48,890,097 up 35% from the previous year. This continues a longstanding target of annual double-digit revenue uplift as a part of our strategic managed growth.

Overheads have largely remained at the same monetary level as 2023 but reduced by percentage against an increased turnover to 8.5% from 12% in 2023. This enables us to be competitive with our project preliminaries inclusion within tender costs.

Pre tax profits have risen to £2,517,918 from £1,311,840. This an increase of £1,206,078. This represents a 92% increase on the reported profits for the previous year and returns us back to our filed figures pre 2023. This is predominately due to more stability within material and resource availability together with control of the established growth.

We operate within a cyclical market that requires a robust balance sheet and cash position. Cash at bank and in hand at July 2024 was £3,557,335 compared to £6,382,533 on July 2023. This is largely due to related party equity investments of our own and/or JV development schemes. We use these schemes to increase our operating margin and financial security.

Retained Earnings as at July 2024 increased to £12,592,103 which is held within the business. This high retention strategy is adopted to fulfil expansion plans and underlines the Board's belief and commitment in the Company.

Whilst the number of employees has stabilised significantly in the year we have made a number of strategic personnel acquisitions. This reflects the Directors' intention to attract and retain the best people by investing in their professional development and success thus facilitating the delivery of a high-quality product and excellent customer service whilst securing the Company's long-term future.

With a secured order book of £60m our strategic decision is to concentrate on our current workload whilst expanding in selected areas to move forward our customer led operation via partnership models with a variety of funds to leverage opportunities within the Living sector. This will position the Company for accelerated future growth in anticipation of improved trading conditions.

BESPOKE CONSTRUCTION SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

Principal risks and uncertainties

The company does not actively use financial instruments as part of its financial risk management and during the year the company and the group has been exposed to risks of supplier price increases, credit risk, liquidity risk and cash flow risk. The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position.

Subsequent events and future developments

Since July 2024, Bespoke Construction Services Limited continues to replicate its robust financial performance, having a secured order book for contracting alone in excess of £60m covering the next 12 months.

The UK New Work Construction 5-year forecast to 2028 is set to grow by 21%: the Company's security of a large order book, robust operating margins and substantial cash reserves ensures that it will continue to drive strong revenue growth and strong returns for the next twelve months and beyond.

On behalf of the board

Mr M A Bennett
Director

18 October 2024

BESPOKE CONSTRUCTION SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2024

The directors present their annual report and financial statements for the year ended 31 July 2024.

Principal activities

The principal activity of the company during the year was that of building contractors, delivering tailored solutions for all construction needs.

Results and dividends

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

Ordinary dividends were paid amounting to £190,000. The directors do not recommend payment of a final dividend.

No preference dividends were paid.

Directors

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

Mr M A Bennett
Mrs N D Bennett
Mr G Kendrick
Mr P Jackson
Mr M L Evans
Mr J Cook

(Appointed 1 February 2024)

Financial instruments

Financial risk management objectives and policies

The company's principle financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these these instruments is to raise funds for the company's operations and to finance the company's operations.

Statement of directors' responsibilities

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.

BESPOKE CONSTRUCTION SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

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.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

Mr M A Bennett
Director

18 October 2024

BESPOKE CONSTRUCTION SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BESPOKE CONSTRUCTION SERVICES LIMITED

Opinion

We have audited the financial statements of Bespoke Construction Services Limited (the 'company') for the year ended 31 July 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2024 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

BESPOKE CONSTRUCTION SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BESPOKE CONSTRUCTION SERVICES LIMITED (CONTINUED)

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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We designed procedures in line with our responsibilities, outline above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or internal misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud are detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those relating to reporting framework FRS102 and the Companies Act 2006 and the relevant direct and indirect tax regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, United Kingdom construction quality standards, employees, data protection, anti-bribery and corruption, anti-collusion and anti-slavery. This includes signed declarations on all contracts stating the policies are being followed.

- We reviewed how Bespoke Construction Services Limited complies with those frameworks by discussion with management and understanding how the company maintains and communicates with its policies and procedures in these areas and corroborating our work by reviewing supporting documentation, including correspondence with relevant authorities.

BESPOKE CONSTRUCTION SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BESPOKE CONSTRUCTION SERVICES LIMITED (CONTINUED)

- We assessed the susceptibility of the company's financial statements to material misstatement, and how fraud might occur. We met with management to understand where they consider there was susceptibility to fraud, including in respect of revenue recognition and the appropriateness of key misstatements and judgements made on revenue generating contracts. We also considered performance targets and their influence on the risk management manipulating earnings. Where risk was considered to be highest, we performed audit procedures to address each identified fraud risk. The procedures included testing manual journal entries, where we reviewed the appropriateness of segregation of duties around initiation, processing and authorising transactions.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved a review of agreed contracts and other documentation to support contract progress and delivery. Additionally, we assessed whether revenue recognised represented a faithful depiction of the value of work performed by the company over time.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Mr Alan Edward Jones FCCA
Senior Statutory Auditor
For and on behalf of Sumer Auditco Limited

18 October 2024

Chartered Accountants
Statutory Auditor

The Beehive
Beehive Ring Road
London Gatwick Airport
Gatwick
United Kingdom
RH6 0PA

BESPOKE CONSTRUCTION SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2024

	Notes	2024 £	2023 £
Turnover	2	48,890,097	35,981,989
Cost of sales		(42,249,162)	(30,641,069)
Gross profit		6,640,935	5,340,920
Administrative expenses		(4,237,772)	(4,228,352)
Other operating income		-	48,000
Operating profit	3	2,403,163	1,160,568
Interest receivable and similar income	6	151,120	175,270
Interest payable and similar expenses	7	(36,365)	(23,998)
Profit before taxation		2,517,918	1,311,840
Tax on profit	8	(516,872)	(214,100)
Profit for the financial year		2,001,046	1,097,740

BESPOKE CONSTRUCTION SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		929,838		716,133
Current assets					
Debtors	11	21,449,383		16,864,256	
Cash at bank and in hand		3,557,335		6,382,533	
		<u>25,006,718</u>		<u>23,246,789</u>	
Creditors: amounts falling due within one year	12	<u>(12,794,596)</u>		<u>(12,849,424)</u>	
Net current assets			12,212,122		10,397,365
Total assets less current liabilities			13,141,960		11,113,498
Creditors: amounts falling due after more than one year	13		(473,043)		(314,314)
Provisions for liabilities					
Deferred tax liability	16	76,304		17,617	
		<u>(76,304)</u>		<u>(17,617)</u>	
Net assets			<u>12,592,613</u>		<u>10,781,567</u>
Capital and reserves					
Called up share capital	18		508		508
Capital redemption reserve			2		2
Profit and loss reserves			<u>12,592,103</u>		<u>10,781,057</u>
Total equity			<u>12,592,613</u>		<u>10,781,567</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 18 October 2024 and are signed on its behalf by:

Mr M A Bennett
Director

Company registration number 03806421 (England and Wales)

BESPOKE CONSTRUCTION SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2024

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
Notes	£	£	£	£
Balance at 1 August 2022	506	2	9,843,317	9,843,825
Year ended 31 July 2023:				
Profit and total comprehensive income	-	-	1,097,740	1,097,740
Issue of share capital	18	2	-	2
Dividends	9	-	(160,000)	(160,000)
Balance at 31 July 2023	508	2	10,781,057	10,781,567
Year ended 31 July 2024:				
Profit and total comprehensive income	-	-	2,001,046	2,001,046
Dividends	9	-	(190,000)	(190,000)
Balance at 31 July 2024	508	2	12,592,103	12,592,613

BESPOKE CONSTRUCTION SERVICES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2024

	Notes	2024		2023	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22				
		(2,693,179)		6,108,193	
Interest paid		(36,365)		(23,998)	
Income taxes refunded/(paid)		4,560		(812,726)	
Net cash (outflow)/inflow from operating activities		(2,724,984)		5,271,469	
Investing activities					
Purchase of tangible fixed assets		-		(11,237)	
Proceeds from disposal of tangible fixed assets		-		9,300	
Interest received		151,120		175,270	
Net cash generated from investing activities		151,120		173,333	
Financing activities					
Proceeds from issue of shares		-		2	
Repayment of bank loans		(21,414)		(21,695)	
Payment of finance leases obligations		(39,920)		(19,272)	
Dividends paid		(190,000)		(160,000)	
Net cash used in financing activities		(251,334)		(200,965)	
Net (decrease)/increase in cash and cash equivalents		(2,825,198)		5,243,837	
Cash and cash equivalents at beginning of year		6,382,533		1,138,696	
Cash and cash equivalents at end of year		3,557,335		6,382,533	

BESPOKE CONSTRUCTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2024

1 Accounting policies

Company information

Bespoke Construction Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

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 £.

Significant judgements and estimates

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing of debtors and historical experience.

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.

1.3 Turnover

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as the proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Full provision is made for the losses on all contracts in the year in which they are first foreseen.

BESPOKE CONSTRUCTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when the cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

Freehold land and buildings	0%
Fixtures and fittings	20% on cost
Computers	33% on cost
Motor vehicles	25% on cost

Depreciation has been provided at 0% on freehold property as in the opinion of the directors, their lives are long and residual values are such that depreciation is not material.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

1.5 Financial instruments

The company has chosen to adopt Sections 11 of FRS 102 in respect of financial Instruments.

BESPOKE CONSTRUCTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 and loss.

Financial assets are derecognised when (a) the contractual rights to cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions

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.

BESPOKE CONSTRUCTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade creditors and other payables, 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 payables 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 current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and 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.

Other financial liabilities

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 that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. 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.

1.6 Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

BESPOKE CONSTRUCTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.7 Retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

1.8 Leases

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

1.9 Long term contracts

Long term contracts are stated at net cost less foreseeable losses less any applicable payments on account. The amount recorded as revenue in respect of long term contracts is ascertained by reference to the value of the work carried out to date. Attributable profit is recognised as the difference between recorded revenue and related costs.

1.10 Current asset investments

Current asset investments are shown at their market value at the balance sheet date.

2 Turnover and other revenue

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

	2024	2023
	£	£
Other revenue		
Interest income	151,120	175,270
Management charges	-	48,000
	<u> </u>	<u> </u>

BESPOKE CONSTRUCTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

3 Operating profit

	2024	2023
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	12,290	10,000
Depreciation of owned tangible fixed assets	8,070	13,501
Depreciation of tangible fixed assets held under finance leases	32,064	15,603
Profit on disposal of tangible fixed assets	-	(9,300)
Operating lease charges	87,399	82,728
	<u> </u>	<u> </u>

4 Employees

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

	2024	2023
	Number	Number
Administrative staff	55	53
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2024	2023
	£	£
Wages and salaries	2,628,800	2,363,003
Social security costs	307,408	280,470
Pension costs	61,079	202,125
	<u> </u>	<u> </u>
	2,997,287	2,845,598
	<u> </u>	<u> </u>

5 Directors' remuneration

	2024	2023
	£	£
Remuneration for qualifying services	230,670	215,278
Company pension contributions to defined contribution schemes	14,724	162,660
	<u> </u>	<u> </u>
	245,394	377,938
	<u> </u>	<u> </u>

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

	2024	2023
	£	£
Remuneration for qualifying services	81,321	70,660
	<u> </u>	<u> </u>

BESPOKE CONSTRUCTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

6	Interest receivable and similar income	2024	2023
		£	£
	Interest income		
	Interest on bank deposits	125,383	99,271
	Other interest income	25,737	75,999
	Total income	<u>151,120</u>	<u>175,270</u>
		2024	2023
	Investment income includes the following:	£	£
	Interest on financial assets not measured at fair value through profit or loss	<u>125,383</u>	<u>99,271</u>
7	Interest payable and similar expenses	2024	2023
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	25,888	22,150
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	10,477	1,848
		<u>36,365</u>	<u>23,998</u>
8	Taxation	2024	2023
		£	£
	Current tax		
	UK corporation tax on profits for the current period	458,185	203,022
		<u>458,185</u>	<u>203,022</u>
	Deferred tax		
	Origination and reversal of timing differences	58,687	11,078
		<u>58,687</u>	<u>11,078</u>
	Total tax charge	<u>516,872</u>	<u>214,100</u>

BESPOKE CONSTRUCTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

8 Taxation (Continued)

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:

	2024 £	2023 £
Profit before taxation	2,517,918	1,311,840
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 25.00%)	629,480	327,960
Tax effect of expenses that are not deductible in determining taxable profit	17,779	55,997
Effect of change in corporation tax rate	-	(36,678)
Permanent capital allowances in excess of depreciation	(56,695)	(19,154)
Depreciation on assets not qualifying for tax allowances	-	7,276
Research and development tax credit	(132,379)	(132,379)
Deferred tax	58,687	11,078
Taxation charge for the year	516,872	214,100

9 Dividends

	2024 £	2023 £
Interim paid	190,000	160,000

10 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 August 2023	635,944	10,295	61,822	212,068	920,129
Additions	-	-	-	253,839	253,839
At 31 July 2024	635,944	10,295	61,822	465,907	1,173,968
Depreciation and impairment					
At 1 August 2023	-	7,482	52,120	144,394	203,996
Depreciation charged in the year	-	625	5,384	34,125	40,134
At 31 July 2024	-	8,107	57,504	178,519	244,130
Carrying amount					
At 31 July 2024	635,944	2,188	4,318	287,388	929,838
At 31 July 2023	635,944	2,813	9,702	67,674	716,133

BESPOKE CONSTRUCTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

10 Tangible fixed assets (Continued)

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

	2024	2023
	£	£
Motor vehicles	287,388	50,610
	<u>287,388</u>	<u>50,610</u>

11 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	16,104,599	11,546,888
Amounts owed by undertakings in which the company has a participating interest	4,258,577	3,894,227
Other debtors	1,026,794	1,194,812
Prepayments and accrued income	59,413	228,329
	<u>21,449,383</u>	<u>16,864,256</u>

Amounts owed by related parties do not bear interest and are repayable on demand.

12 Creditors: amounts falling due within one year

	Notes	2024	2023
		£	£
Bank loans	14	20,153	24,916
Obligations under finance leases	15	57,929	19,390
Trade creditors		10,410,806	9,394,207
Amounts owed to undertakings in which the company has a participating interest		1,086,690	1,841,698
Corporation tax		383,354	(79,391)
Other taxation and social security		98,812	142,122
Other creditors		267,347	1,086,188
Accruals and deferred income		469,505	420,294
		<u>12,794,596</u>	<u>12,849,424</u>

Amounts owed to related parties do not bear interest, are unsecured and are repayable on demand.

BESPOKE CONSTRUCTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

13 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Bank loans and overdrafts	14	257,663	274,314
Obligations under finance leases	15	215,380	40,000
		<u>473,043</u>	<u>314,314</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	-	174,554
		<u>174,554</u>

14 Loans and overdrafts

	2024 £	2023 £
Bank loans	277,816	299,230
		<u>277,816</u>
Payable within one year	20,153	24,916
Payable after one year	257,663	274,314
		<u>277,816</u>

On 2 June 2008, a fixed and floating charge was created over all property and assets of the company in favour of HSBC Bank plc.

On 24 October 2012, a legal mortgage charge was registered over the freehold property in favour of HSBC Bank plc.

Hire purchase contracts are secured on the assets to which they relate.

15 Finance lease obligations

	2024 £	2023 £
Future minimum lease payments due under finance leases:		
Within one year	57,929	19,390
In two to five years	215,380	40,000
	<u>273,309</u>	<u>59,390</u>

BESPOKE CONSTRUCTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

16 Deferred taxation

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

	Liabilities 2024 £	Liabilities 2023 £
Balances:		
Accelerated capital allowances	76,304	17,617
	<u>76,304</u>	<u>17,617</u>
Movements in the year:		2024 £
Liability at 1 August 2023		17,617
Charge to profit or loss		58,687
Liability at 31 July 2024		<u>76,304</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

17 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	61,079	202,125
	<u>61,079</u>	<u>202,125</u>

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

	2024 Number	2023 Number	2024 £	2023 £
Ordinary share capital Issued and fully paid				
Ordinary of £1 each	500	500	500	500
	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>

BESPOKE CONSTRUCTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

18 Share capital (Continued)

	2024	2023	2024	2023
	Number	Number	£	£
Preference share capital				
Issued and fully paid				
Redeemable B shares of £1 each	2	2	2	2
Redeemable C shares of £1 each	2	2	2	2
Redeemable D shares of £1 each	2	2	2	2
Redeemable A shares of £1 each	2	2	2	2
	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
Preference shares classified as equity			<u>8</u>	<u>8</u>
Total equity share capital			<u>508</u>	<u>508</u>

19 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:

	2024	2023
	£	£
Within one year	57,505	49,357
Between two and five years	54,388	66,968
	<u>111,893</u>	<u>116,325</u>

20 Related party transactions

Transactions with related parties

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

Dividends of £190,000 were paid to the company directors during the year (2023 : £160,000)

	Management charges receivable		Management charges payable	
	2024	2023	2024	2023
	£	£	£	£
Entities controlled by a common Director	<u>-</u>	<u>48,000</u>	<u>-</u>	<u>500,000</u>
Amounts due to related parties			2024	2023
			£	£
Entities controlled by a common Director			1,086,690	1,841,698

BESPOKE CONSTRUCTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

20 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

	2024	2023
Amounts due from related parties	£	£
Entities controlled by a common Director	4,258,577	3,894,227

21 Ultimate controlling party

The company was under the control of Mr M A Bennett throughout the current and previous year.

22 Cash (absorbed by)/generated from operations

	2024	2023
	£	£
Profit for the year after tax	2,001,046	1,097,740
Adjustments for:		
Taxation charged	516,872	214,100
Finance costs	36,365	23,998
Investment income	(151,120)	(175,270)
Gain on disposal of tangible fixed assets	-	(9,300)
Depreciation and impairment of tangible fixed assets	40,134	29,104
Movements in working capital:		
(Increase)/decrease in debtors	(4,585,127)	1,849,409
(Decrease)/increase in creditors	(551,349)	3,078,412
Cash (absorbed by)/generated from operations	(2,693,179)	6,108,193

23 Analysis of changes in net funds

	1 August 2023	Cash flows	New finance leases	31 July 2024
	£	£	£	£
Cash at bank and in hand	6,382,533	(2,825,198)	-	3,557,335
Borrowings excluding overdrafts	(299,230)	21,111	-	(277,816)
Obligations under finance leases	(59,390)	39,920	(253,839)	(273,309)
	<u>6,023,913</u>	<u>(2,763,864)</u>	<u>(253,839)</u>	<u>3,006,210</u>

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.