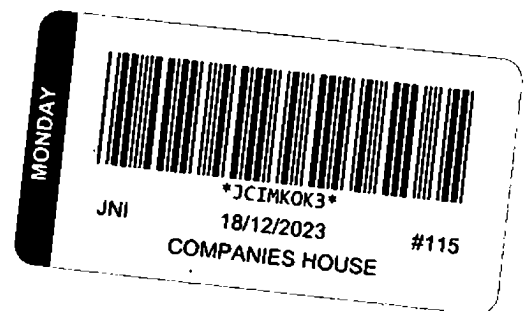


Company registration number: NI601119

3 Interior Contracts Limited

Financial statements

31 December 2022



3 Interior Contracts Limited

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3 Interior Contracts Limited

Directors and other information

Directors	Mr Stephen Purdy Mr Phillip Moorhead Mr Brian Stevenson Mr Ian Robinson Mr Brian Agnew Mr Allan Grieve Mr Marc Trelford Mr Neil McCann Mrs Shirley-Ann Smylie Mr Allan Macleod
Secretary	Mr Stephen Purdy
Company number	NI601119
Registered office	River House Home Avenue Newry Co Down BT34 2DL
Business address	15 Rathdown Close Lissue Industrial Estate West Lisburn BT28 2RB
Auditor	Phelan & Prescott River House Home Avenue Newry Co Down BT34 2DL
Accountants	Phelan and Prescott River House Home Avenue Newry Co Down BT34 2DL

3 Interior Contracts Limited

Directors and other information (continued)

Bankers

Danske Bank
North Business Centre
1 - 2 Broadway Ballymena
Ballymena
Co Antrim
BT43 7AA

3 Interior Contracts Limited

Strategic report Year ended 31 December 2022

Review of the business

The principal activity of the company is the provision of high end fit out and refurbishment solutions. No change is contemplated in this activity.

Results and performance

The company operates in a competitive market and experienced some challenging contracts during the year. It is anticipated that in 2023 the company will return to overall profitability and the directors have no issues with respect to the company continuing to trade as a going concern. Turnover increased from £38,524,711 in the year ended 31 December 2021 (2021) to £41,123,057 in the year ended 31 December 2022 (2022). The gross profit margin decreased from 7.5% in 2021 to 2.0% in 2022 with the overall gross profit falling from £2,906,821 in 2021 to £819,797 in 2022. Administrative expenses have remained consistent with an increase of £102,892 reported. A loss before tax of £(525,621) for 2022 compares to a profit before tax of £1,660,234 for 2021. The company continues to have a sound financial position with net assets of £1,161,745 as at 31 December 2022 as compared to £1,490,660 as at 31 December 2021.

Key performance indicators

The company considers the key performance indicators to be turnover, gross profit, gross profit margin and operating profit. All of these key performance indicators are referred to above in results and performance.

Business environment

The company is well established in the provision of high end fit outs and refurbishments. The company has successfully increased turnover in the year despite a challenging market.

Principal risks and uncertainties

The company operates a process of risk management which is administered through a framework of policies, procedures and internal controls. All policies are subject to board approval and ongoing review by management. Compliance with regulation, legal and ethical standards is a high priority for the company and the directors and finance department take on an important overview in this regard.

Financial risk management objectives and policies

The main risks to the company's operations are credit risk and liquidity risk. The company has policies in place that support the consistent review of the credit worthiness of existing customers and ensures appropriate credit checks are completed prior to engagement with new customers. Financial exposure to customers is monitored on an ongoing basis. The company actively maintains facilities for short-term debt finance that is designed to ensure the company has sufficient available funds for operations. The company has a minimal exposure to interest rate risks as there is a low level of overall debt / borrowings.

This report was approved by the board of directors on 30 October 2023 and signed on behalf of the board by:



Mr Phillip Moorhead
Director

3 Interior Contracts Limited

Directors report Year ended 31 December 2022

The directors present their report and the financial statements of the company for the year ended 31 December 2022.

Directors

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

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

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

Future developments

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

Financial instruments

The main risks to the company's operations are credit risk and liquidity risk. The directors consider that the interest rate risk is insignificant. The directors agree policies for managing these risks and they are summarised in the strategic report.

Directors responsibilities statement

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

3 Interior Contracts Limited

**Directors report (continued)
Year ended 31 December 2022**

Auditor

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

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

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

This report was approved by the board of directors on 30 October 2023 and signed on behalf of the board by:



Mr Phillip Moorhead
Director

3 Interior Contracts Limited

**Independent auditor's report to the members of
3 Interior Contracts Limited
Year ended 31 December 2022**

Opinion

We have audited the financial statements of 3 Interior Contracts Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss 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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

3 Interior Contracts Limited

Independent auditor's report to the members of 3 Interior Contracts Limited (continued) Year ended 31 December 2022

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We considered the significant laws and regulations to be the Companies Act 2006, International Financial Reporting Standards and UK tax legislation.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry, control environment and business performance;
- the results of our enquiries of management about their own identification of the risk of irregularities;

3 Interior Contracts Limited

**Independent auditor's report to the members of
3 Interior Contracts Limited (continued)
Year ended 31 December 2022**

- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. We also discussed the potential for non-compliance with laws and regulations.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements.

Our tests included, but were not limited to:


- agreement of the financial statement disclosures to underlying supporting documentation;
- in response to the risk of management override of controls, identifying and testing journal entries and other adjustments, in particular any unusual account combinations and journals posted by unexpected users;
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- challenging assumptions and judgements made by management in their significant accounting estimates and judgements; and
- enquiries with the company's solicitors and management regarding any actual or potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



John M Doherty (Senior Statutory Auditor)

For and on behalf of

Phelan & Prescott

Chartered Accountants and Statutory Auditor

River House

Home Avenue

Newry

BT34 2DL

30 October 2023

3 Interior Contracts Limited

Statement of income and retained earnings Year ended 31 December 2022

	Note	2022 £	2021 £
Turnover	4	41,123,057	38,524,711
Cost of sales		(40,303,260)	(35,617,890)
Gross profit		<u>819,797</u>	<u>2,906,821</u>
Administrative expenses		(1,520,231)	(1,417,339)
Other operating income	5	180,515	141,073
Operating (loss)/profit	6	<u>(519,919)</u>	<u>1,630,555</u>
Income from shares in group undertakings	9	42,200	30,000
Other interest receivable and similar income	10	-	49
Interest payable and similar expenses	11	(47,902)	(370)
(Loss)/profit before taxation		<u>(525,621)</u>	<u>1,660,234</u>
Tax on (loss)/profit	12	196,706	(196,706)
(Loss)/profit for the financial year and total comprehensive income		<u><u>(328,915)</u></u>	<u><u>1,463,528</u></u>
Dividends declared and paid or payable during the year ¹³		-	(1,815,392)
Retained earnings at the start of the year		<u>1,488,059</u>	<u>1,839,923</u>
Retained earnings at the end of the year		<u><u>1,159,144</u></u>	<u><u>1,488,059</u></u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 20 form part of these financial statements.

3 Interior Contracts Limited

Statement of financial position 31 December 2022

	Note	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14	137,514		172,542	
Investments	15	40,200		40,200	
			177,714		212,742
Current assets					
Stocks	16	2,300,947		2,210,132	
Debtors	17	2,629,401		2,448,045	
Cash at bank and in hand		309,348		1,227,945	
		5,239,696		5,886,122	
Creditors: amounts falling due within one year	19	(4,220,665)		(4,561,204)	
Net current assets			1,019,031		1,324,918
Total assets less current liabilities			1,196,745		1,537,660
Creditors: amounts falling due after more than one year	20		(35,000)		(47,000)
Net assets			1,161,745		1,490,660
Capital and reserves					
Called up share capital	23		2,601		2,601
Profit and loss account	24		1,159,144		1,488,059
Shareholders funds			1,161,745		1,490,660

These financial statements were approved by the board of directors and authorised for issue on 30 October 2023, and are signed on behalf of the board by:



Mr Phillip Moorhead
Director



Mr Brian Stevenson
Director

Company registration number: NI601119

The notes on pages 12 to 20 form part of these financial statements.

3 Interior Contracts Limited

Statement of cash flows Year ended 31 December 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
(Loss)/profit for the financial year		(328,915)	1,463,528
<i>Adjustments for:</i>			
Depreciation of tangible assets		57,476	71,157
Income from shares in group undertakings		(42,200)	(30,000)
Other interest receivable and similar income		-	(49)
Interest payable and similar expenses		47,902	370
Gain/(loss) on disposal of tangible assets		(21,667)	-
Tax on loss/profit		(196,706)	196,706
Accrued expenses/(income)		963,079	492,483
<i>Changes in:</i>			
Stocks		(90,815)	(950,129)
Trade and other debtors		(181,356)	159,739
Trade and other creditors		(761,300)	184,288
Cash generated from operations		<u>(554,502)</u>	<u>1,588,093</u>
Interest paid		(47,902)	(370)
Interest received		-	49
Net cash (used in)/from operating activities		<u>(602,404)</u>	<u>1,587,772</u>
Cash flows from investing activities			
Purchase of tangible assets		(22,448)	(120,979)
Proceeds from sale of tangible assets		21,667	-
Dividends received		42,200	30,000
Net cash from/(used in) investing activities		<u>41,419</u>	<u>(90,979)</u>
Cash flows from financing activities			
Proceeds from borrowings		(353,392)	802,204
Payment of finance lease liabilities		(12,000)	55,778
Equity dividends paid		-	(1,815,392)
Net cash used in financing activities		<u>(365,392)</u>	<u>(957,410)</u>
Net increase/(decrease) in cash and cash equivalents		(926,377)	539,383
Cash and cash equivalents at beginning of year	18	1,223,367	683,984
Cash and cash equivalents at end of year	18	<u>296,990</u>	<u>1,223,367</u>

3 Interior Contracts Limited

Notes to the financial statements Year ended 31 December 2022

1. General information

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

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

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

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

Turnover

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

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

Taxation

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

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

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

Tangible assets

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

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

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

3 Interior Contracts Limited

Notes to the financial statements (continued) Year ended 31 December 2022

Depreciation

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

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

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

Fixed asset investments

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

Impairment

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

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

Stocks

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

Hire purchase and finance leases

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

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

3 Interior Contracts Limited

Notes to the financial statements (continued) Year ended 31 December 2022

Financial instruments

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

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

Debt instruments are subsequently measured at amortised cost.

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

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

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

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

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

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

Defined contribution plans

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

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

4. Turnover

Turnover arises from:

	2022	2021
	£	£
Rendering of contract services	41,123,057	38,524,711

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

5. Other operating income

	2022	2021
	£	£
Management charges receivable	180,515	141,073

3 Interior Contracts Limited

Notes to the financial statements (continued) Year ended 31 December 2022

6. Operating loss/profit

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

	2022	2021
	£	£
Depreciation of tangible assets	57,476	71,157
(Gain)/loss on disposal of tangible assets	(21,667)	-
Impairment of trade debtors	-	29
Fees payable for the audit of the financial statements	5,200	4,600
	<u>5,200</u>	<u>4,600</u>

7. Staff costs

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

	2022	2021
Production staff	43	42
Administrative staff	4	4
	<u>47</u>	<u>46</u>

The aggregate payroll costs incurred during the year were:

	2022	2021
	£	£
Wages and salaries	2,577,708	2,638,949
Other pension costs	32,400	30,900
	<u>2,610,108</u>	<u>2,669,849</u>

8. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2022	2021
	£	£
Remuneration	844,079	833,783
Company contributions to pension schemes in respect of qualifying services	32,400	30,900
	<u>876,479</u>	<u>864,683</u>

9. Income from shares in group undertakings

	2022	2021
	£	£
Income from shares in group undertakings	42,200	30,000
	<u>42,200</u>	<u>30,000</u>

3 Interior Contracts Limited

**Notes to the financial statements (continued)
Year ended 31 December 2022**

10. Other interest receivable and similar income	2022	2021
	£	£
Bank deposits	-	49
	<u> </u>	<u> </u>
11. Interest payable and similar expenses	2022	2021
	£	£
Bank loans and overdrafts	46,822	-
Other loans made to the company:		
Finance leases and hire purchase contracts	1,080	370
	<u> </u>	<u> </u>
	<u>47,902</u>	<u>370</u>
	<u> </u>	<u> </u>
12. Tax on loss/profit		
Major components of tax income/expense	2022	2021
	£	£
UK current tax expense	-	196,706
Adjustments in respect of previous periods	(196,706)	-
	<u> </u>	<u> </u>
Tax on loss/profit	<u>(196,706)</u>	<u>196,706</u>
	<u> </u>	<u> </u>
Reconciliation of tax income/expense	2022	2021
	£	£
(Loss)/profit before taxation	(525,621)	1,660,234
	<u> </u>	<u> </u>
(Loss)/profit multiplied by rate of tax	(99,868)	315,444
Adjustments in respect of prior periods	(196,706)	-
Effect of expenses not deductible for tax purposes	864	864
Effect of capital allowances and depreciation	1,184	(15,679)
Effect of revenue exempt from tax	(8,018)	(5,700)
Utilisation of tax losses	-	(98,223)
Unrelieved tax losses	105,838	-
	<u> </u>	<u> </u>
Tax on loss/profit	<u>(196,706)</u>	<u>196,706</u>
	<u> </u>	<u> </u>

3 Interior Contracts Limited

Notes to the financial statements (continued)
Year ended 31 December 2022

13. Dividends

Equity dividends

	2022	2021
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	-	1,815,392

14. Tangible assets

	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2022	276,082	39,023	216,727	531,832
Additions	-	11,768	10,680	22,448
Disposals	-	-	(67,362)	(67,362)
At 31 December 2022	<u>276,082</u>	<u>50,791</u>	<u>160,045</u>	<u>486,918</u>
Depreciation				
At 1 January 2022	197,265	17,898	144,127	359,290
Charge for the year	19,704	8,223	29,549	57,476
Disposals	-	-	(67,362)	(67,362)
At 31 December 2022	<u>216,969</u>	<u>26,121</u>	<u>106,314</u>	<u>349,404</u>
Carrying amount				
At 31 December 2022	<u>59,113</u>	<u>24,670</u>	<u>53,731</u>	<u>137,514</u>
At 31 December 2021	<u>78,817</u>	<u>21,125</u>	<u>72,600</u>	<u>172,542</u>

Obligations under finance leases

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 2022	<u>45,693</u>
At 31 December 2021	<u>56,524</u>

3 Interior Contracts Limited

**Notes to the financial statements (continued)
Year ended 31 December 2022**

15. Investments	Shares in group undertakings	Total
	£	£
Cost		
At 1 January 2022 and 31 December 2022	<u>40,200</u>	<u>40,200</u>
Impairment		
At 1 January 2022 and 31 December 2022	<u>-</u>	<u>-</u>
Carrying amount		
At 31 December 2022	<u>40,200</u>	<u>40,200</u>
At 31 December 2021	<u>40,200</u>	<u>40,200</u>
16. Stocks	2022	2021
	£	£
Work in progress	<u>2,300,947</u>	<u>2,210,132</u>
17. Debtors	2022	2021
	£	£
Trade debtors	1,810,185	2,227,032
Amounts owed by group undertakings	617,581	-
Other debtors	<u>201,635</u>	<u>221,013</u>
	<u>2,629,401</u>	<u>2,448,045</u>
<p>Other debtors includes an amount of £16,394 due from Timbermark Manufacture Limited (a connected company). Timbermark Manufacture Limited is a company registered in Northern Ireland. 3 Interior Contracts Limited has a 50% shareholding in Timbermark Manufacture Limited.</p>		
18. Cash and cash equivalents	2022	2021
	£	£
Cash at bank and in hand	309,348	1,227,945
Bank overdrafts	<u>(12,358)</u>	<u>(4,578)</u>
	<u>296,990</u>	<u>1,223,367</u>

3 Interior Contracts Limited

Notes to the financial statements (continued)
Year ended 31 December 2022

19. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	461,170	806,782
Trade creditors	1,389,177	1,918,740
Accruals and deferred income	2,016,239	1,053,160
Corporation tax	-	196,706
Social security and other taxes	338,344	570,081
Obligations under finance leases	12,000	12,000
Director loan accounts	3,735	3,735
	<u>4,220,665</u>	<u>4,561,204</u>

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

	2022	2021
	£	£
Obligations under finance leases	<u>35,000</u>	<u>47,000</u>

21. Obligations under finance leases

Company lessee

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

	2022	2021
	£	£
Not later than 1 year	12,000	12,000
Later than 1 year and not later than 5 years	35,000	47,000
	<u>47,000</u>	<u>59,000</u>
Present value of minimum lease payments	<u>47,000</u>	<u>59,000</u>

22. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £32,400 (2021: £30,900).

23. Called up share capital
Issued, called up and fully paid

	2022		2021	
	No	£	No	£
Ordinary shares of £ 1.00 each	<u>2,601</u>	<u>2,601</u>	<u>2,601</u>	<u>2,601</u>

24. Reserves

Profit and loss account:
This reserve records retained earnings and accumulated losses.

3 Interior Contracts Limited

Notes to the financial statements (continued) Year ended 31 December 2022

25. Analysis of changes in net debt

	At 1 January 2022	Cash flows	At 31 December 2022
	£	£	£
Cash and cash equivalents	1,227,945	(918,597)	309,348
Bank overdrafts	(4,578)	(7,780)	(12,358)
Debt due within one year	(817,939)	353,392	(464,547)
Debt due after one year	(47,000)	12,000	(35,000)
	<u>358,428</u>	<u>(560,985)</u>	<u>(202,557)</u>

26. Controlling party

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