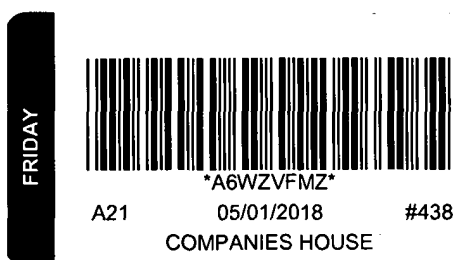


Company Registration No. 03097719 (England and Wales)

**THE TSK GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2017**



# THE TSK GROUP LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr I D Holden Mr A P Burns Mr A D Burke Mr P J Hannis Mr D Cox
<b>Secretary</b>	Mr I D Holden
<b>Company number</b>	03097719
<b>Registered office</b>	TSK Group Limited 130 Metroplex Business Park Broadway Salford M50 2UW
<b>Auditor</b>	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP

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# THE TSK GROUP LIMITED

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# THE TSK GROUP LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2017

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The directors present the strategic report and financial statements for the year ended 31 July 2017.

### Fair review of the business

The company's principal activity continues to be workplace consultancy, design, fit out and furnishing, focusing on providing a single source of services required in the commercial market in relation to office strategy, relocation and refurbishment.

Our passion for creating spaces that enhance businesses and support the employee experience has seen us design and deliver office environments for some of the world's largest and most prestigious organisations. During the year we have strengthened our talented and capable team, who through investment, continue to grow and develop, as does our list of clients across the country.

The handover of a perfect project provides the platform for an ongoing relationship that measures, adapts and enhances the spaces we create. These relationships have flourished during the year with a significant amount of our revenue generated from existing clients or referrals. This year our investments in our consultancy, client services and aftercare teams has paid dividends and will continue to do so in the year ahead.

The company experienced a positive performance in the year ending 31 July 2017. Turnover was in line with expectation at £30.9m and profit before tax improved to £1.0m (£0.5m 2016). The main financial key performance indicator is the gross profit which has increased to £3.9m (£3.2m 2016). The board of directors anticipate a further improved performance in 2018 as the company continues to grow in line with overall business plans. The directors consider the company to be in a strong financial position given net assets of £1.7m and net current assets of £1.3m at 31 July 2017.

### Principal risks and uncertainties

The board of directors assess the main risks facing the company as a challenging economy, reduced take up in commercial office space, reduced margins and the recruitment and retention of the highest calibre personnel.

They will, therefore, continue to invest in key relationships with customers and staff, focus on key geographic regions such as the North West and London and focus on the continual development of the team by investing in recruiting and retaining the highest calibre personnel.

By order of the board.



Mr I D Holden  
Secretary

21/12/17

# **THE TSK GROUP LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 JULY 2017**

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The directors present their annual report and financial statements for the year ended 31 July 2017.

### **Principal activities**

The company's principal activity continues to be workplace design, fit-out and furnishing.

### **Directors**

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

Mr I D Holden

Mr A P Burns

Mr A D Burke

Mr M Barber-Redmore

(Resigned 23 December 2016)

Mr P J Hannis

Mr D Cox

### **Results and dividends**

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

Ordinary dividends were paid amounting to £560,000. The directors do not recommend payment of a further dividend.

### **Auditor**

The auditor, MHA Moore and Smalley, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Strategic report**

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

### **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.

### **Financial risk management objectives and policies**

The company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk and interest risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company does not use derivative financial instruments to manage interest rate costs and as such no hedge accounting is applied.

Give the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

**THE TSK GROUP LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2017**

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By order of the board

.....  
Mr I D Holden  
Secretary  
.....

21/12/17

# **THE TSK GROUP LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

**FOR THE YEAR ENDED 31 JULY 2017**

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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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

# THE TSK GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE TSK GROUP LIMITED

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#### Opinion

We have audited the financial statements of The TSK Group Limited (the 'company') for the year ended 31 July 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

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

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

We have nothing to report in this regard.

# THE TSK GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE TSK GROUP LIMITED

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

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

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

#### **Responsibilities of directors**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

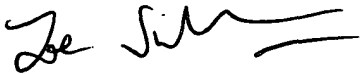
## THE TSK GROUP LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE MEMBERS OF THE TSK GROUP LIMITED

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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.



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

Richard House  
9 Winckley Square  
Preston  
PR1 3HP

2/1/2018

# THE TSK GROUP LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2017

	Notes	2017 £	2016 £
<b>Turnover</b>	<b>3</b>	30,887,507	22,026,946
Cost of sales		(26,934,644)	(18,825,756)
<b>Gross profit</b>		3,952,863	3,201,190
Administrative expenses		(2,918,897)	(2,705,792)
<b>Operating profit</b>	<b>4</b>	1,033,966	495,398
Interest receivable and similar income	<b>7</b>	6,859	9,500
Interest payable and similar expenses	<b>8</b>	(13,224)	(12,082)
<b>Profit before taxation</b>		1,027,601	492,816
Tax on profit	<b>9</b>	(207,046)	(108,692)
<b>Profit for the financial year</b>		820,555	384,124

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

# THE TSK GROUP LIMITED

## BALANCE SHEET

AS AT 31 JULY 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	11	523,103		425,282	
Investments	12	2		2	
		<u>523,105</u>		<u>425,284</u>	
<b>Current assets</b>					
Debtors	15	3,635,744	2,818,368		
Cash at bank and in hand		3,263,697	1,440,655		
		<u>6,899,441</u>	<u>4,259,023</u>		
<b>Creditors: amounts falling due within one year</b>	16	<u>(5,603,849)</u>	<u>(3,133,158)</u>		
<b>Net current assets</b>		1,295,592		1,125,865	
<b>Total assets less current liabilities</b>		<u>1,818,697</u>		<u>1,551,149</u>	
<b>Creditors: amounts falling due after more than one year</b>	17	(71,645)		(80,211)	
<b>Provisions for liabilities</b>	19	(41,242)		(25,683)	
<b>Net assets</b>		<u>1,705,810</u>		<u>1,445,255</u>	
<b>Capital and reserves</b>					
Called up share capital	22	55,556	55,556		
Share premium account		23,750	23,750		
Profit and loss reserves		1,626,504	1,365,949		
<b>Total equity</b>		<u>1,705,810</u>		<u>1,445,255</u>	

The financial statements were approved by the board of directors and authorised for issue on 24/12/17 and are signed on its behalf by:

Mr J D Holden  
Director

Mr A P Burns  
Director

Company Registration No. 03097719

# THE TSK GROUP LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2017

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 August 2015</b>		55,556	23,750	1,321,825	1,401,131
<b>Year ended 31 July 2016:</b>					
Profit and total comprehensive income for the year		-	-	384,124	384,124
Dividends	10	-	-	(340,000)	(340,000)
<b>Balance at 31 July 2016</b>		55,556	23,750	1,365,949	1,445,255
<b>Year ended 31 July 2017:</b>					
Profit and total comprehensive income for the year		-	-	820,555	820,555
Dividends	10	-	-	(560,000)	(560,000)
<b>Balance at 31 July 2017</b>		55,556	23,750	1,626,504	1,705,810

# THE TSK GROUP LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	2,751,752		989,636	
Interest paid		(13,224)		(12,082)	
Income taxes paid		(112,569)		(3)	
<b>Net cash inflow from operating activities</b>		<u>2,625,959</u>		<u>977,551</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(120,954)		(127,633)	
Proceeds on disposal of tangible fixed assets		27,383		2,200	
Interest received		6,859		9,500	
<b>Net cash used in investing activities</b>		<u>(86,712)</u>		<u>(115,933)</u>	
<b>Financing activities</b>					
Payment of finance leases obligations		(156,205)		(100,689)	
Dividends paid		(560,000)		(340,000)	
<b>Net cash used in financing activities</b>		<u>(716,205)</u>		<u>(440,689)</u>	
<b>Net increase in cash and cash equivalents</b>		<u>1,823,042</u>		<u>420,929</u>	
Cash and cash equivalents at beginning of year		1,440,655		1,019,726	
<b>Cash and cash equivalents at end of year</b>		<u><u>3,263,697</u></u>		<u><u>1,440,655</u></u>	

# THE TSK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

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### 1 Accounting policies

#### Company information

The TSK Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is TSK Group Limited, 130 Metroplex Business Park, Broadway, Salford, M50 2UW.

#### 1.1 Accounting convention

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

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

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

The company is exempt from the requirement to prepare group accounts by virtue of section 405 and 402 of the Companies Act 2006 as its subsidiaries can be excluded from consolidation in Companies Act group accounts as they are immaterial. The financial statements therefore present information about the company as an individual undertaking and not about its group. Further details on these subsidiaries is provided in the notes to the accounts.

#### 1.2 Going concern

After making the appropriate enquiries, the directors have concluded that the company will be able to meet its financial obligations and will continue to generate positive free cash flow for the foreseeable future and therefore have a reasonable expectation the company have adequate resources to continue in operational existence for the foreseeable future, and accordingly, consider it appropriate to adopt the going concern basis in preparing the accounts.

#### 1.3 Turnover

Turnover comprises the value of work performed, goods sold and services provided excluding Value Added Tax. Amounts in respect of contracts included in turnover, net of payments received on account, are shown in debtors as amounts recoverable on contracts. Cash received in excess of the value of work done is shown in creditors as payments on account.

An appropriate proportion of the anticipated contract profit is recognised in the profit and loss account based on the stage of completion of the work and the expected end of life outcome. Provision is made for anticipated contract losses.

Pre-contract costs incurred before it is virtually certain that a contract will be awarded are charged to the profit and loss account. Once virtually certain of contract award, costs are held as amounts recoverable on contracts and form part of the accounting for the contract as a whole.

#### 1.4 Tangible fixed assets

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

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

Fixtures & fittings	Over 2 to 7 years
Computer equipment	Over 2 to 5 years
Motor vehicles	Over 2 to 5 years

# THE TSK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

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### 1 Accounting policies

(Continued)

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

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.6 Impairment of fixed assets

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

#### 1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

# THE TSK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

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

#### **Other financial assets**

All of the company's financial assets are basic financial assets.

#### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

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

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

#### **Derecognition of financial assets**

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

#### **Classification of financial liabilities**

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

#### **Basic financial liabilities**

Basic financial liabilities, including creditors 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

All of the company's financial liabilities are basic financial liabilities.

# THE TSK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

---

### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

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

#### **1.9 Equity instruments**

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

#### **1.10 Taxation**

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

##### ***Current tax***

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

##### ***Deferred tax***

Deferred tax is recognised in respect of all timing differences that have originated but not reversed as the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **1.11 Employee benefits**

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

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

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

#### **1.12 Retirement benefits**

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

# THE TSK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

---

### 1 Accounting policies

(Continued)

#### 1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

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

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

### 2 Judgements and key sources of estimation uncertainty

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

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

#### **Critical judgements**

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

#### ***Impairment of trade debtors***

At each balance sheet date, management undertake an assessment of the recoverability of trade debtors based upon their knowledge of the customers, ageing of the balances outstanding and previous write off history. Where necessary, an impairment is recorded as a doubtful debt.

The actual level of debt collected may differ from the estimated level of recovery.

# THE TSK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

### 2 Judgements and key sources of estimation uncertainty

(Continued)

#### Key sources of estimation uncertainty

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

#### Turnover and profit recognition

At the balance sheet date, management review each contract individually based on the total contract value, the amounts invoiced up to the year end, the costs incurred up to the year end and the expected post year end costs to complete the contract.

Based upon the above information, management estimate the expected profit on a contract and will include an element of profit on the contract at the year end by reference to the stage of completion of each contract at the balance sheet date.

The actual profit arising on a contract may differ from the estimate of profit at each balance sheet date.

### 3 Turnover and other revenue

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

	2017 £	2016 £
<b>Turnover analysed by class of business</b>		
Attributable to the principal activities	30,887,507	22,026,946

	2017 £	2016 £
<b>Other significant revenue</b>		
Interest income	6,859	9,500

	2017 £	2016 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	30,887,507	22,026,946

### 4 Operating profit

	2017 £	2016 £
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	7,300	7,100
Depreciation of owned tangible fixed assets	92,286	105,994
Depreciation of tangible fixed assets held under finance leases	114,103	68,965
Profit on disposal of tangible fixed assets	(27,383)	(2,200)
Operating lease charges	55,366	65,998

# THE TSK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

### 5 Employees

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

	2017 Number	2016 Number
Design and estimation	23	21
Installation and project management	23	21
Selling and marketing	16	14
Administration and accounts	8	7
	<u>70</u>	<u>63</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	4,141,316	3,483,853
Social security costs	462,254	384,445
Pension costs	259,187	29,451
	<u>4,862,757</u>	<u>3,897,749</u>

### 6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	831,342	833,937
Company pension contributions to defined contribution schemes	210,045	3,889
	<u>1,041,387</u>	<u>837,826</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2016 - 6).

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

	2017 £	2016 £
Remuneration for qualifying services	157,326	184,447
Company pension contributions to defined contribution schemes	100,756	1,057

# THE TSK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

### 7 Interest receivable and similar income

	2017 £	2016 £
<b>Interest income</b>		
Interest on bank deposits	6,859	9,500

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	6,859	9,500
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### 8 Interest payable and similar expenses

	2017 £	2016 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on finance leases and hire purchase contracts	13,224	12,082

### 9 Taxation

	2017 £	2016 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	191,487	112,569
Adjustments in respect of prior periods	-	(1,231)
<b>Total current tax</b>	<b>191,487</b>	<b>111,338</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	15,559	(2,646)
<b>Total tax charge</b>	<b>207,046</b>	<b>108,692</b>

# THE TSK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

### 9 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:

	2017 £	2016 £
Profit before taxation	1,027,601	492,816
Expected tax charge based on the standard rate of corporation tax in the UK of 19.67% (2016: 20.00%)	202,129	98,563
Tax effect of expenses that are not deductible in determining taxable profit	10,484	12,977
Adjustments in respect of prior years	-	(1,231)
Effect of change in corporation tax rate	(5,567)	(1,617)
Taxation charge for the year	207,046	108,692

The Chancellor stated his intention to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020. This change was substantively enacted on 6 September 2016.

### 10 Dividends

	2017 £	2016 £
Final paid	560,000	340,000

# THE TSK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

### 11 Tangible fixed assets

	Fixtures & fittings £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 August 2016	198,230	524,736	589,765	1,312,731
Additions	51,239	107,128	145,843	304,210
Disposals	-	(364,153)	(164,846)	(528,999)
At 31 July 2017	249,469	267,711	570,762	1,087,942
<b>Depreciation and impairment</b>				
At 1 August 2016	123,121	424,702	339,626	887,449
Depreciation charged in the year	18,217	94,146	94,026	206,389
Eliminated in respect of disposals	-	(364,153)	(164,846)	(528,999)
At 31 July 2017	141,338	154,695	268,806	564,839
<b>Carrying amount</b>				
At 31 July 2017	108,131	113,016	301,956	523,103
At 31 July 2016	75,109	100,034	250,139	425,282

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

	2017 £	2016 £
Motor vehicles	272,627	246,704
Computer equipment	52,920	-
	<u>325,547</u>	<u>246,704</u>
Depreciation charge for the year in respect of leased assets	<u>114,103</u>	<u>68,965</u>

### 12 Fixed asset investments

	Notes	2017 £	2016 £
Investments in subsidiaries	13	<u>2</u>	<u>2</u>

# THE TSK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

### 13 Subsidiaries

Details of the company's subsidiaries at 31 July 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
TSK (Services) Limited	England and Wales	Dormant	Ordinary shares	100.00	
TSK Workplace Limited	England and Wales	Dormant	Ordinary shares	100.00	

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
TSK (Services) Limited	-	1
TSK Workplace Limited	-	1

### 14 Financial instruments

	2017 £	2016 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	3,237,399	2,178,010
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	4,661,103	2,594,224

### 15 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	3,237,399	2,178,010
Gross amounts due from contract customers	268,849	562,941
Prepayments and accrued income	129,496	77,417
	<u>3,635,744</u>	<u>2,818,368</u>

# THE TSK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

### 16 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Obligations under finance leases	18	141,515	105,898
Trade creditors		802,051	581,001
Corporation tax		191,487	112,569
Other taxation and social security		822,904	506,576
Other creditors		524,661	298,561
Accruals and deferred income		3,121,231	1,528,553
		<u>5,603,849</u>	<u>3,133,158</u>

### 17 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Obligations under finance leases	18	<u>71,645</u>	<u>80,211</u>

### 18 Finance lease obligations

	2017 £	2016 £
Future minimum lease payments due under finance leases:		
Within one year	141,515	105,898
In two to five years	71,645	80,211
	<u>213,160</u>	<u>186,109</u>

Finance lease payments represent rentals payable by the company for motor vehicles and computer equipment. The creditor is secured on the assets to which it relates.

### 19 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	20	<u>41,242</u>	<u>25,683</u>

# THE TSK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

### 20 Deferred taxation

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

	Liabilities 2017 £	Liabilities 2016 £
<b>Balances:</b>		
Accelerated capital allowances	42,072	26,323
Short term timing differences	(830)	(640)
	<u>41,242</u>	<u>25,683</u>
<b>Movements in the year:</b>		<b>2017 £</b>
Liability at 1 August 2016		25,683
Charge to profit or loss		15,559
Liability at 31 July 2017		<u>41,242</u>

Given the company's capital expenditure plans, the deferred tax liability set out above is not expected to materially reverse over the next 12 months.

### 21 Retirement benefit schemes

	2017 £	2016 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>259,187</u>	<u>29,451</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. Contributions totalling £4,882 (2016: £3,367) were outstanding at the year-end and are included in creditors.

# THE TSK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

### 22 Share capital

	2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
50,000 Ordinary A shares of £1 each	50,000	50,000
5,556 Ordinary B shares of £1 each	5,556	5,556
	<u>55,556</u>	<u>55,556</u>

The ordinary B shares previously carried no voting rights and no rights to income or capital, except on sale of the company. The rights of the ordinary B shares were varied on 25 July 2017 to give the right to dividends provided consent in writing is obtained from all holders of ordinary A shares.

### 23 Operating lease commitments

#### Lessee

Operating lease payments represent rentals payable by the company for a property.

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:

	2017 £	2016 £
Within one year	55,366	55,366
Between two and five years	221,465	221,465
In over five years	193,782	249,148
	<u>470,613</u>	<u>525,979</u>

### 24 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	<u>1,142,894</u>	<u>939,389</u>

# THE TSK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

### 25 Directors' transactions

During the previous year advances totalling £41,439 were made to and dividends totalling £340,000 were credited to the directors. At 31 July 2016 an amount of £298,561 was due to the directors.

During the year advances totalling £333,900 were made to and dividends totalling £560,000 were credited to the directors. At 31 July 2017 an amount of £524,661 was due to the directors. One director's loan account balance was overdrawn for part of the year, the maximum owed to the company during the year was £15,000.

### 26 Controlling party

The company was under the control of its directors throughout the current and previous year. There is no single ultimate controlling party.

### 27 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	820,555	384,124
<b>Adjustments for:</b>		
Taxation charged	207,046	108,692
Finance costs	13,224	12,082
Investment income	(6,859)	(9,500)
Gain on disposal of tangible fixed assets	(27,383)	(2,200)
Depreciation and impairment of tangible fixed assets	206,389	174,959
<b>Movements in working capital:</b>		
(Increase) in debtors	(817,376)	(130,608)
Increase in creditors	2,356,156	452,087
<b>Cash generated from operations</b>	<u>2,751,752</u>	<u>989,636</u>