

Company Registration No. 04018003 (England and Wales)

B W INTERIORS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022



B W INTERIORS LIMITED

COMPANY INFORMATION

Directors	S Elliott C J Ogden A J Brown A Bradley R P Frank P R Smith
Company number	04018003
Registered office	5 Old Bailey London EC4M 7BA
Auditor	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB

B W INTERIORS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Review of the business

A summary of the financial results for the year ended 31 December 2022, the financial position as at that date and certain key financial performance indicators, are set out in the table below:

	2022	2021
Turnover	£216.3m	£145.1m
Gross profit	£13.4m	£11.1m
Operating margin	1.0%	0.1%
Profit before tax	£2.2m	£0.1m
Profit after tax	£1.7m	£5.3m
Cash at bank	£17.4m	£17.9m
Net current assets	£20.3m	£21.9m
Net assets	£19.7m	£21.6m

The company continues to maintain a strong balance sheet for investment in the future development and growth plans of the business. The company's net assets at 31 December 2022 have slightly decreased to £19.7m (2021: £21.6m).

During the year we maintained excellent cash levels whilst ensuring we managed the payment cycle effectively to the supply chain and maintained positive levels of engagement with all of our trusted partners.

The geographic spread of our turnover continues to be generated from the South East of England, within the Commercial Office sector and Education via traditional individual contracts and an increasing number of frameworks.

The cash balance at the end of the year totalled £17.4m (2021: £17.9m).

BW is well placed to continue to trade well and capitalise on a strong market, currently we have £140m of secured turnover for 2023.

Principal risks and uncertainties

The company's principal risks and uncertainties relate to health and safety, the risk of entering into unprofitable contracts and cash flow risk, which are mitigated as follows.

Prior to entering into any contract, thorough due diligence of every potential project. BW operates a rigorous risk assessment, which is managed by its highly experienced senior teams.

BW ensure compliance with health and safety industry best practice. Our primary responsibility is caring for our employees and supply chain partners, ensuring that our projects are delivered safely and defect free.

BW are diligent in cash management and forecasting which is shared with all senior management on a daily basis to retain focus. We continue to have excellent working relationships with our bankers, HSBC, and will continue to manage cash effectively.

Directors' duties and stakeholder engagement

Section 172 of the Companies Act requires directors to act in a way that they consider would be most likely to promote the success of the company. In doing so, directors must take into consideration the interests of various stakeholders of the company (including employees, clients, suppliers, shareholders, and others), the impact of the company's operations on the community and the environment and take a long-term view of the likely consequences of decisions they make as well as maintaining a reputation for high standards of business conduct.

B W INTERIORS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The board have had constant dialogue during the year with all stakeholders including, shareholders, our employees, clients, sub-contractors and suppliers, as well as the wider community.

Shareholders

We meet regularly through management meetings to review strategy, performance, and where necessary governance to ensure the long-term interests of the company are met. We continue to be focused on developing long term value through increases in net assets to protect the company's position.

Employees

We are passionate about ensuring that all our employees are protected to ensure that their Health, Safety and Wellbeing is of the upmost priority.

We want the BW of the future to more closely represent the society in which we live. We have reflected on the way our organisation looks now and we know we must change that for the better. So, from now on, we'll do things differently and take active steps to make the BW of ten years from now dramatically different.

We are working in partnership with a small number of organisations that specialise in under-represented groups to completely re-think our employment practices. That's why we have ongoing unconscious/conscious bias workshops for the whole business to make sure that we provide a workplace that is genuinely inclusive.

We hold annual conferences to communicate our strategy and performance, as well as hosting regular updates throughout the year

Clients

Personable, honest, reliable, professional, innovative: these are the most frequent words clients use to describe BW when we seek feedback on performance, which are all qualities we look for in the workplace experts we employ. Our aim is to complete our projects Defect Free. It's a bold challenge and one which we are fully committed to achieving. We are built around the idea that we should serve our clients better and we want to be at the forefront of making the journey simpler and making the experience with our clients even more memorable

We continually seek feedback on our relationships and performance and drive our performance levels to improve where necessary.

Sub-contractors and suppliers

We pride ourselves on establishing and maintaining relationships with all our supply chain. We operate a preferred supplier scheme which allows for prompter payments. 97% of all our payments were made within 60 days.

Wider community

Getting our industry to achieve Net Zero Carbon means everyone needs to work together for the common goal of saving our planet. By Net Zero Carbon, we mean offsetting any carbon that cannot be removed during the processes of what we do. We want to be at the centre of the change that needs to happen, working with our customers and partners to shape the built environment for the better. We will work with our clients, consultants, and supply chain to influence change within the design and specification of every project we are involved in.

On behalf of the board



A Bradley
Director

21 April 2023

B W INTERIORS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activities

The principal activity of the company continued to be that of fitting out and refurbishment of commercial premises.

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £3,581,283 (2021: £2,000,000). The directors do not recommend payment of a final dividend (2021: £Nil).

Directors

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

S Elliott
C J Ogden
A J Brown
A Bradley
R P Frank
P R Smith

Directors' insurance

The group of which the company is a member has in place a Directors and Officers liability insurance policy that provides appropriate cover in respect of legal action against its directors.

Financial instruments risks

Exposure to credit, liquidity, and interest rate risks arise in the normal course of business. These are monitored by the Board of Directors and were not considered to be significant at the balance sheet date. The risks are limited by the company's financial management policies described below.

Credit risks – The company deals with creditworthy clients. Trade receivables are monitored on an ongoing basis via the company's management reporting procedures

Liquidity risk – The company manages its liquidity risk by forecasting cash flow and monitoring actual funds on a daily basis. We aim to manage liquidity so that we always have sufficient funds to meet current liabilities when they fall due.

Interest Rate Risk - The company has no current borrowings and manages its cashflow as not to require any additional facilities for working capital.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

Stakeholder engagement and future development disclosures are not disclosed within the Directors' Report as they are instead included within the Strategic Report on pages 1 and 2 under s414c(11) of the Companies Act 2006.

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, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

B W INTERIORS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board



A Bradley
Director

21 April 2023

B W INTERIORS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Strategic Report and the 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF B W INTERIORS LIMITED

Opinion

We have audited the financial statements of B W Interiors Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including 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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 the audit:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF B W INTERIORS 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 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 set out on page 5, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF B W INTERIORS LIMITED (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, completing disclosure checklists and reviewing tax computations prepared by external tax advisors.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to challenging and, where appropriate, corroborating management judgements and estimates associated with year end revenue recognition, testing a sample of journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://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 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.

Richard Coates

Richard Coates (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
21 April 2023

B W INTERIORS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	216,326,356	145,108,686
Cost of sales		(202,922,269)	(134,025,112)
Gross profit		<u>13,404,087</u>	<u>11,083,574</u>
Administrative expenses		(11,284,624)	(11,021,951)
Other operating income		-	80,139
Operating profit	7	<u>2,119,463</u>	<u>141,762</u>
Interest receivable and similar income	9	32,622	-
Interest payable and similar expenses	10	-	(430)
Profit before taxation		<u>2,152,085</u>	<u>141,332</u>
Tax on profit	11	(470,654)	5,203,867
Profit for the financial year		<u><u>1,681,431</u></u>	<u><u>5,345,199</u></u>

B W INTERIORS LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Intangible assets	13		358,904		126,598
Tangible assets	14		980,549		1,131,265
			<u>1,339,453</u>		<u>1,257,863</u>
Current assets					
Debtors	15	68,925,098		46,369,805	
Cash at bank and in hand		17,371,117		17,949,193	
			<u>86,296,215</u>		<u>64,318,998</u>
Creditors: amounts falling due within one year	16	<u>(65,974,740)</u>		<u>(42,401,027)</u>	
Net current assets			<u>20,321,475</u>		<u>21,917,971</u>
Total assets less current liabilities			<u>21,660,928</u>		<u>23,175,834</u>
Creditors: amounts falling due after more than one year	17		(1,785,343)		(1,422,752)
Provisions for liabilities	18		(147,491)		(125,136)
Net assets			<u>19,728,094</u>		<u>21,627,946</u>
Capital and reserves					
Called up share capital	21		100		100
Profit and loss reserves	22		19,727,994		21,627,846
Total equity			<u>19,728,094</u>		<u>21,627,946</u>

The financial statements were approved by the board of directors and authorised for issue on 21 April 2023 and are signed on its behalf by:



A Bradley
Director

B W INTERIORS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2021		100	18,282,647	18,282,747
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	5,345,199	5,345,199
Dividends	12	-	(2,000,000)	(2,000,000)
Balance at 31 December 2021		100	21,627,846	21,627,946
Year ended 31 December 2022:				
Profit and total comprehensive income for the year		-	1,681,431	1,681,431
Dividends	12	-	(3,581,283)	(3,581,283)
Balance at 31 December 2022		100	19,727,994	19,728,094

B W INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

B W Interiors Limited ("the company") is a private company limited by shares, and is registered and incorporated in England and Wales. The registered office is 5 Old Bailey, London, EC4M 7BA.

The company's principal activities and nature of its operations are disclosed in the Strategic Report and the Directors' Report.

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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

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

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

- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- The requirement of Section 33 Related Party Disclosures paragraph 33.7.

B W Interiors Limited is a wholly owned subsidiary of BWI (Holdings) Limited and the results of B W Interiors Limited are included in the consolidated financial statements of BWI (Holdings) Limited which are available from its registered office 5 Old Bailey, London, EC4M 7BA.

Going concern

These financial statements have been prepared on the going concern basis

The Group's financial position remains strong with cash at bank in excess of £13m as at date of approval of these financial statements together with undrawn bank facilities of £5m. The directors are confident, after reviewing cash flow forecasts for the period to 31 December 2024, that the Group has adequate financial resources which will enable the Company and the Group to pay their debts as they fall due for the foreseeable future.

Turnover

Turnover represents revenue recognised by the company in respect of goods sold and services supplied, exclusive of Value Added Tax and trade discounts. Revenue is recognised by reference to the stage of completion of each individual contract. The stage of completion is assessed by quantity surveyors who issue a certificate for the agreed valuation.

Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

B W INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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

Software	Over 3 - 4 years
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Tangible fixed assets

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

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

Freehold land	Not depreciated
Leasehold improvements	Over life of the lease
Plant and machinery	25% - 33% straight line

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.

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.

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

B W INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

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 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.

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts owed by group undertakings, 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

B W INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors (including accruals) and amounts owed to group undertakings, 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 payments 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.

Derecognition of financial liabilities

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

Equity instruments

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

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

B W INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either other creditors or other debtors.

Leases

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

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

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.

The key areas of accounting estimation relates to revenue recognition and construction contracts whose policies are disclosed above and the recognition of research and development tax credits as explained in 11.

3 Turnover and other revenue

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

	2022	2021
	£	£
Turnover analysed by class of business		
Sale of services	216,326,356	145,108,686
	<u>216,326,356</u>	<u>145,108,686</u>

B W INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Turnover and other revenue (Continued)

	2022	2021
	£	£
Other revenue		
Interest income	32,622	-
Grants received	-	80,139
	<u>32,622</u>	<u>80,139</u>

All the company's sales for the year and prior year arose within the United Kingdom.

4 Government grants

During the prior year, the company made a successful application under the government Coronavirus Job Retention Scheme to aid businesses with the financial impact of the Covid-19 pandemic.

The amount claimed totalled £80,139 and was recognised in the statement of comprehensive income as other income.

No such government grants were received during the year under review, nor were any amounts receivable at the year end.

5 Employees

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

	2022	2021
	Number	Number
Management, operations and administration	215	179
	<u>215</u>	<u>179</u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	19,541,179	16,185,215
Social security costs	2,788,737	2,011,767
Pension costs	790,502	547,661
	<u>23,120,418</u>	<u>18,744,643</u>

6 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	2,488,537	2,347,507
Company pension contributions to defined contribution schemes	60,118	58,208
	<u>2,548,655</u>	<u>2,405,715</u>

B W INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Directors' remuneration (Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2021 - 4).

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

	2022	2021
	£	£
Remuneration for qualifying services	535,912	482,008

7 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants (Note 4)	-	(80,139)
Depreciation of owned tangible fixed assets	343,671	332,949
Amortisation of intangible assets	108,197	102,507
Operating lease charges	545,875	580,165

8 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	42,900	34,000
For other services		
Taxation compliance services	10,500	8,850
All other non-audit services	15,450	12,875
	25,950	21,725

9 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Other interest income	32,622	-

10 Interest payable and similar expenses

	2022	2021
	£	£
Other interest	-	430

B W INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	464,798	441,587
Adjustments in respect of prior periods	(16,499)	(5,667,789)
Total current tax	<u>448,299</u>	<u>(5,226,202)</u>
Deferred tax		
Origination and reversal of timing differences	22,355	(10,128)
Changes in tax rates	-	32,463
Total deferred tax	<u>22,355</u>	<u>22,335</u>
Total tax charge/(credit)	<u>470,654</u>	<u>(5,203,867)</u>

The total tax charge/(credit) for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	<u>2,152,085</u>	<u>141,332</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	408,896	26,853
Tax effect of expenses that are not deductible in determining taxable profit	87,962	37,495
Adjustments in respect of prior years	(16,499)	(5,304,212)
Other differences	(9,705)	35,997
Taxation charge/(credit) for the year	<u>470,654</u>	<u>(5,203,867)</u>

The adjustment in respect of prior years for the year ended 31 December 2021 of £5,304,212 primarily arose from a research and development tax relief credit claim under the small and medium sized company regime in respect of the year ended 31 December 2019 which was approved during the year ended 31 December 2022.

The accounts for the year ended 31 December 2022 include a credit to operating profit of £2,000,000 under the Research and Development Expenditure Credit ("RDEC") regime in respect of the year ended 31 December 2022 (2021: RDEC credit to operating profit of £86,435 comprising £2,000,000 credit in respect of the year ended 31 December 2021 less the reversal of a credit of £1,913,565 in respect of the year ended 31 December 2019).

B W INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

12 Dividends

2022	2021
£	£
3,581,283	2,000,000

13 Intangible fixed assets

	Software £
Cost	
At 1 January 2022	368,255
Additions - internally developed	340,503
At 31 December 2022	708,758
Amortisation and impairment	
At 1 January 2022	241,657
Amortisation charged for the year	108,197
At 31 December 2022	349,854
Carrying amount	
At 31 December 2022	358,904
At 31 December 2021	126,598

14 Tangible fixed assets

	Freehold land £	Leasehold improvements £	Plant and machinery £	Total £
Cost				
At 1 January 2022	12,500	1,960,582	1,524,767	3,497,849
Additions	-	11,456	181,499	192,955
At 31 December 2022	12,500	1,972,038	1,706,266	3,690,804
Depreciation and impairment				
At 1 January 2022	-	990,128	1,376,456	2,366,584
Depreciation charged in the year	-	239,849	103,822	343,671
At 31 December 2022	-	1,229,977	1,480,278	2,710,255
Carrying amount				
At 31 December 2022	12,500	742,061	225,988	980,549
At 31 December 2021	12,500	970,454	148,311	1,131,265

B W INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Debtors	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	20,529,496	12,336,166
Gross amounts owed by contract customers	28,614,472	13,070,134
Corporation tax recoverable	4,757,169	7,986,475
Amounts owed by group undertakings	9,216,304	9,528,554
Other debtors	285,460	186,715
Prepayments and accrued income	2,133,227	845,008
	<u>65,536,128</u>	<u>43,953,052</u>
	2022	2021
	£	£
Amounts falling due after more than one year:		
Trade debtors	<u>3,388,970</u>	<u>2,416,753</u>
Total debtors	<u>68,925,098</u>	<u>46,369,805</u>
16 Creditors: amounts falling due within one year	2022	2021
	£	£
Trade creditors	4,902,281	8,788,983
Taxation and social security	12,403,239	8,568,423
Other creditors	308,999	446,141
Accruals and deferred income	48,360,221	24,597,480
	<u>65,974,740</u>	<u>42,401,027</u>
17 Creditors: amounts falling due after more than one year	2022	2021
	£	£
Trade creditors	<u>1,785,343</u>	<u>1,422,752</u>
18 Provisions for liabilities	2022	2021
	£	£
Deferred tax liabilities	19 <u>147,491</u>	<u>125,136</u>

B W INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 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 2022	Liabilities 2021
Balances:	£	£
Accelerated capital allowances	176,173	138,721
Other timing differences	(28,682)	(13,585)
	<u>147,491</u>	<u>125,136</u>
		2022
Movements in the year:		£
Liability at 1 January 2022		125,136
Charge to profit or loss		22,355
		<u>147,491</u>

20 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	790,502	547,661
	<u>790,502</u>	<u>547,661</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. At the year end, £217,340 (2021: £144,484) remained outstanding and is included within creditors.

21 Share capital

	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

22 Reserves

Profit and loss reserves

Cumulative profit and loss net of distribution to owners.

B W INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

23 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for total future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	782,226	524,558
Between one and five years	1,727,978	2,067,978
	<u>2,510,204</u>	<u>2,592,536</u>

24 Ultimate controlling party

The company's immediate parent company is BWI (Holdings) Limited.

The company's ultimate parent company is BW Workplace Experts Limited.

The largest group in which the results of the company are consolidated is that headed by BW Workplace Experts Limited. The consolidated accounts of BW Workplace Experts Limited are available from its registered office 5 Old Bailey, London, EC4M 7BA.

The smallest group in which the results of the company are consolidated is that headed by BWI (Holdings) Limited. The consolidated accounts of BWI (Holdings) Limited are available from its registered office 5 Old Bailey, London, EC4M 7BA.