jmarchitects limited

Registered number: SC172002

Annual report

For the year ended 30 November 2017

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JMARCHITECTS LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2017

Introduction

The directors present their Strategic Report for the year ended 30 November 2017.

Development and performance of the company

The directors report an operating profit of £620,058 and a profit after tax of £490,416 on turnover of £6,376,615

Whilst the company has seen good profits in every year from 2009 onwards, the last four years, from 2014 onwards, have seen particularly strong trading.

As always, the directors would particularly like to thank the staff of jmarchitects – who all contributed to this continued success. In 2017 we were once again able to express our thanks very tangibly, by means of significant staff bonuses, sharing out some of the recent profits amongst every member of staff with at least a year's service, with longer-serving staff receiving some quite significant payouts.

We have continued to deliver high quality architecture across the country, with once again a pleasing number of awards to recognise this.

Our overall success as a practice was recognised once again when we won 2017 Architectural Practice of the Year at the Education Buildings Scotland Award. We were also delighted to have regained the number one position in Urban Realm's annual Top 100 Architects listing published in January 2018.

We don't have space to detail the very large number of individual successful projects in 2017, but some highlights include:

The O'Shea North Student Residences in Edinburgh, a significant new postgraduate residential development near Parliament which was delivered together with our project partners, The University of Edinburgh, Balfour Beatty Investments, Oberlanders Architects and Harrison Stevens Landscape Architects. O'Shea North is made up of six houses which together contain 407 single en suite rooms, 41 studio apartments and a variety of other living and communal areas. It received substantial recognition in 2017 including the Best Student Accommodation Award at the 2017 Scottish Property Awards; it was also a winner at the Royal Incorporation of Architects in Scotland (RIAS) Awards, the Scottish Design Awards (where it won in both Regeneration and in Public Realm and Landscaping), and the Scottish Home Awards, (this following its receipt of the Best University Halls of Residence Award at the previous year's Property Week Student Accommodation Awards in London).

The new Campus for James Gillespie's High School in Edinburgh was also a winner at the 2017 Scottish Property Awards where it won both the Best Development of the Year in the public buildings category, and the Architectural Excellence Award in the same category. This project also won at the 2017 RIAS Awards and the Glasgow Institute of Architects (GIA) Design Awards.

The refurbishment of the Grade-II listed Bolton Albert Halls for Bolton Council, on which we worked both directly for the Council and subsequently for Willmott Dixon. We were proud that this project was named Project of the Year (under £10M) at the 2017 Construction News Awards, as well as receiving a Living Heritage Award.

Education was the single largest sector in which we worked last year with about a third of our income generated from projects delivered across the education spectrum from nurseries to tertiary education, with many primary and secondary schools also in the mix. In terms of sectors, however, 2017 saw one of the best balanced and varied spreads of work of recent years, with significant and increased proportions of our income generated from the Residential, Healthcare and Hotels & Leisure sectors, as well as a continuing strong portfolio of Commercial and Student Residential work. The directors are pleased to note that we have maintained consistent levels of profitability over recent years even as the mix of project types has naturally fluctuated.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2017

Principal risks and uncertainties

Despite our steady and profitable performance over recent years we are not complacent about the future. We have a particularly strong pipeline of work at present but the directors note that significant uncertainties remain about the future state of the economy in the UK and internationally.

Financial key performance indicators

In addition to turnover and operating profit, the Company uses as a key performance indicator a measure of Gross Profit where it defines for internal reporting purposes certain costs such as architectural salaries and professional indemnity insurance costs as direct costs. On this measure, consistently defined, the gross profit in the year was 30%, compared to 31% in 2016 and an average of 35% over the last five years. However the apparently slightly poorer measure in the last two years is in fact driven by the substantial staff bonuses which we were delighted to be able to pay during those periods.

This report was approved by the board and signed on its behalf.

D W Ingham
Director

Date: 20 March 2018

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2017

The directors present their report and the financial statements for the year ended 30 November 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Results and dividends

The profit for the year, after taxation, amounted to £490,416 (2016 - £516,515).

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

Directors

The directors who served during the year were:

R Fletcher
D W Ingham
A J B Irving
P H Ives
R McFarlane (resigned 21 December 2017)
B Thomson
S W Davie (appointed 20 June 2017)
R J G Duncan (appointed 20 June 2017)

M C Burgess was appointed as a director on 20 March 2018

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2017

Future developments

The directors expect the volume and nature of business carried out in 2018 to be broadly similar to that of the year ended 30 November 2017. No developments which would give rise to a significant variation in the Company's current business model are currently foreseen.

Matters covered in the strategic report

The directors have included the business review, consideration of the principal risks and uncertainties and the key performance indicators within the Strategic Report on page 1.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

D W Ingham
Director

Date: 20 March 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JMARCHITECTS LIMITED

Opinion

We have audited the financial statements of jmarchitects limited (the 'company') for the year ended 30 November 2017 which comprise the Statement of Income and Retained Earnings, the Balance Sheet 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 30 November 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.

Use of the audit 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.

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 within the Strategic Report and the Directors' 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JMARCHITECTS LIMITED

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In 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 specific 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 3, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JMARCHITECTS LIMITED

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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Fiona Martin

Fiona Martin (Senior statutory auditor)

for and on behalf of

Mazars LLP

Chartered Accountants and Statutory Auditor

Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

Date: 27/3/18

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 NOVEMBER 2017

	Note	2017 £	2016 £
Turnover	3	6,376,615	6,541,855
Administrative expenses		(5,786,557)	(5,911,942)
Other operating income	4	30,000	30,000
Operating profit	5	620,058	659,913
Interest receivable and similar income	9	-	739
Profit before tax		620,058	660,652
Tax on profit	10	(129,642)	(144,137)
Profit after tax		490,416	516,515
Retained earnings at the beginning of the year		978,195	911,680
Profit for the year		490,416	516,515
Dividends declared and paid		(500,000)	(450,000)
Retained earnings at the end of the year		968,611	978,195

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of income and retained earnings.

The notes on pages 10 to 24 form part of these financial statements.

JMARCHITECTS LIMITED
REGISTERED NUMBER: SC172002

BALANCE SHEET
AS AT 30 NOVEMBER 2017

	Note		2017 £		2016 £
Fixed assets					
Intangible assets	**12**		27,685		61,913
Tangible assets	**13**		151,208		176,915
Investments	**14**		24,500		24,500
			203,393		263,328
Current assets					
Debtors: amounts falling due within one year	**15**	2,465,313		1,910,461	
Cash and cash equivalents	**16**	237,072		61,529	
		2,702,385		1,971,990	
Creditors: amounts falling due within one year	**17**	(1,916,948)		(1,223,901)	
Net current assets			785,437		748,089
Total assets less current liabilities			988,830		1,011,417
Provisions for liabilities					
Deferred tax	**18**	(19,219)		(32,222)	
			(19,219)		(32,222)
Net assets			969,611		979,195
Capital and reserves					
Called up share capital	**19**		1,000		1,000
Profit and loss account	**20**		968,611		978,195
			969,611		979,195

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

D W Ingham
Director

Date: 20 March 2018

The notes on pages 10 to 24 form part of these financial statements.

1. Accounting policies

1.1 Basis of preparation of financial statements

jmarchitects limited is a private company limited by shares and registered in Scotland.

The registered office is 64 Queen St, Edinburgh, EH2 4NA.

The Company is a wholly owned subsidiary of jmarchitects (group) limited and its results are included in the consolidated financial statements of jmarchitects holdings limited.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (note 2).

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of jmarchitects holdings limited as at 30 November 2017 and these financial statements may be obtained from Companies House.

1. Accounting policies (continued)

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes

Turnover from a contract to provide architectural services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.4 *Intangible assets*

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software Licences	-	3	years

1.5 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold Improvements	- over 4 years
Fixtures and Fittings	- over 4 years
Computer Equipment	- over 3 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

1. Accounting policies (continued)

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.8 Long-term contracts

The attributable profits on long term contracts are recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project and is calculated on a prudent basis by recording turnover and related costs as contract activity progresses. Profit for the year includes settlement of claims arising on contracts in prior years.

Long term contract balances included in amounts recoverable on contracts are stated as turnover recognised less any progress payments made on the contracts, after provision has been made for any forseeable losses on all contracts in the year in which the loss is first foreseen.

1.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1. Accounting policies (continued)

1.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

1.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings.

1. *Accounting policies (continued)*

1.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

1.14 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.15 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

1.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

1. Accounting policies (continued)

1.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Judgements in applying accounting policies 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.

Key areas of judgement consist of the stage of completion of contracts and the related adjustment to the amount of turnover recognised in the year as per note 1.3 and the provision for unrecoverable debts.

3. Turnover

	2017 £	2016 £
United Kingdom	6,376,615	6,541,855

4. Other operating income

	2017 £	2016 £
Rental income	30,000	30,000

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	100,660	88,845
Amortisation of intangible assets	35,073	37,829
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	11,525	11,175
Land and buildings operating lease rentals	282,166	279,168
Other operating lease rentals	3,665	10,220

6. Auditor's remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	11,525	11,175
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	1,025	1,000
All other services	2,300	2,500
	3,325	3,500

7. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Number of professional staff	94	99
Number of administrative staff	6	6
	100	105

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	3,253,374	3,301,577
Social security	336,501	336,492
Pension	67,122	59,581
	3,656,997	3,697,650

8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	94,479	-
Company contributions to defined contribution pension schemes	2,653	-
	97,132	-

During the current and prior year, further directors' emoluments were met the by parent company.

9. Interest receivable

	2017 £	2016 £
Bank interest receivable	-	739

10. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	135,294	135,785
Adjustments in respect of previous periods	7,351	222
Total current tax	142,645	136,007
Deferred tax		
Origination and reversal of timing differences	(13,003)	8,130
Taxation on profit on ordinary activities	129,642	144,137

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.33% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	620,058	660,652
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.33% (2016 - 20%)	119,867	132,130
Effects of:		
Expenses not deductible for tax purposes	7,418	12,540
Adjustments to tax charge in respect of prior periods	7,351	222
Other timing differences leading to an increase / (decrease) in taxation	(4,994)	(755)
Total tax charge for the year	129,642	144,137

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

	2017 £	2016 £
Dividends paid on equity capital	500,000	450,000

12. Intangible fixed assets

	Software Licences £
Cost	
At 1 December 2016	189,987
Additions	845
At 30 November 2017	190,832
Amortisation	
At 1 December 2016	128,074
Charge for the year	35,073
At 30 November 2017	163,147
Net book value	
At 30 November 2017	27,685
At 30 November 2016	61,913

13. Tangible fixed assets

	Leasehold Improve-ments £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost				
At 1 December 2016	116,961	214,109	282,617	613,687
Additions	3,674	36,407	34,872	74,953
Disposals	-	-	(36,790)	(36,790)
At 30 November 2017	120,635	250,516	280,699	651,850
Depreciation				
At 1 December 2016	53,434	182,845	200,493	436,772
Charge for the year on owned assets	29,439	19,890	51,331	100,660
Disposals	-	-	(36,790)	(36,790)
At 30 November 2017	82,873	202,735	215,034	500,642
Net book value				
At 30 November 2017	37,762	47,781	65,665	151,208
At 30 November 2016	63,527	31,264	82,124	176,915

14. Fixed asset investments

	Unlisted investments £
Cost	
At 1 December 2016	24,500
At 30 November 2017	24,500
Net book value	
At 30 November 2017	24,500
At 30 November 2016	24,500

15. Debtors

	2017 £	2016 £
Trade debtors	1,809,299	1,424,365
Amounts recoverable on contracts	378,916	171,615
Prepayments and accrued income	277,098	314,481
	2,465,313	1,910,461

Included in prepayments and accrued income is a balance of £10,677 (2016: £61,177) due after more than one year.

16. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	237,072	61,529

17. Creditors: Amounts falling due within one year

	2017 £	2016 £
Payments received on account	368,731	254,781
Trade creditors	83,344	41,148
Amounts owed to group undertakings (note 25)	470,459	118,279
Corporation tax	135,294	15,786
Other taxation and social security	583,735	538,700
Other creditors	10,821	8,852
Accruals and deferred income	264,564	246,355
	1,916,948	1,223,901

18. Deferred taxation

	2017 £
At beginning of year	32,222
Movement for year	(13,003)
At end of year	19,219

The provision for deferred taxation is made up as follows:

	2017 £
Fixed asset timing differences	20,333
Other timing differences	(1,114)
	19,219

19. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
1,000 Ordinary class A shares of £ 1 each	1,000	1,000

The company has one class of Ordinary share which carries no right to fixed income.

20. Reserves

Profit & loss account

Retained earnings represent accumulated profits less losses and distributions.

21. Contingent liabilities

Company assets are secured against the bank borrowings of £405,000 in the parent undertaking, jmarchitects holdings limited.

22. Capital commitments

At 30 November 2017 the Company had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	-	30,558

23. Pension commitments

The Company operates a defined contribution pension scheme.

The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £67,122 (2016: £59,581). Contributions totalling £10,820 (2016: £8,852) were payable to the fund at the balance sheet date.

24. Commitments under operating leases

At 30 November 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Land and buildings		
Not later than 1 year	288,655	272,416
Later than 1 year and not later than 5 years	1,154,620	1,154,620
Later than 5 years	1,410,141	1,698,796
	2,853,416	3,125,832

	2017 £	2016 £
Other		
Not later than 1 year	-	2,392

25. Related party transactions

Ryan Fletcher, a director, is also a director of, and holds a material interest in, a number of companies which are engaged in the development of property: Cullross Ltd, Cullross Holdings Ltd, Cullross (DH) Ltd, Victoria Dock (Dundee) Ltd and Ryven (Jeanfield One) Ltd. He was a director and held a similar material interest in the following companies which have subsequently been dissolved: Ryven Ltd, Ryven (Burdiehouse) Ltd, Ryven (Jeanfield Three) Ltd, Cullross (Dens Road) Ltd and Cullross (LR) Ltd.

Included in Turnover is an amount of £360,124 (2016: £189,662) in respect of work on projects where one of these entities is acting as the developer or otherwise has a material interest in the project. Included in Trade Debtors are amounts of £34,637 (2016: £96,983) due from Cullross (DH) Ltd, and £Nil (2016: £10,190) due from Cullross Ltd in relation to this activity.

Ryan Fletcher, a director, is linked by family ties to Forth Holdings Ltd. Included in Turnover is an amount of £108,803 (2016: £NIL) in respect of services sold to companies in the Forth Holdings Group. Included in Administrative Expenses is an amount of £3,263 (2016: £25,392) in respect of goods and services purchased from companies in the Forth Holdings group.

Ryan Fletcher, a director, is linked by family ties to Kinrara Estate Ltd. Included in Turnover is an amount of £7,000 (2016: £NIL) in respect of services provided to this entity. An amount of £8,400 is included in Trade Debtors in respect of this work.

26. Ultimate controlling parent undertaking and controlling party

The Company's immediate parent undertaking is jmarchitects (group) limited, a company registered in Scotland.

The Company's ultimate parent undertaking is jmarchitects holdings limited, a company registered in Scotland.

In the opinion of the directors, there is no ultimate controlling party.