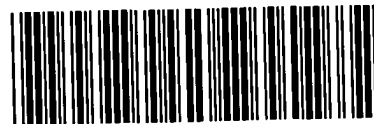


**CFR INVESTMENTS LIMITED
ANNUAL REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017**

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CFR INVESTMENTS LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017

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CFR INVESTMENTS LIMITED
STRATEGIC REPORT
YEAR ENDED 31 OCTOBER 2017

Registration Number: 07012921

The directors present their strategic report for the year ended 31 October 2017.

Principal activity

The principal activity of the company is that of a holding company for a group of companies engaged in electrical installation work

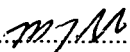
Fair review of the business

At the year end the group had shareholders' funds of £2,776,413 including distributable profits of £2,676,413. The directors believe that the company's position is satisfactory especially as the company's net current assets exceed its current liabilities by £2,481,718.

The directors have assessed the possible risks facing the company over the next twelve months with the continuing UK economic uncertainty remaining the major risk factor.

The directors believe that by focusing on customer service and retaining a lean business model this will not only mitigate any possible risks but will also see consistent growth and satisfactory trading results for the coming year.

Approved by the Board on **18 JUN 2018**
and signed on its behalf by:


.....
M B Roberts
Director

CFR INVESTMENTS LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 OCTOBER 2017

The directors present their report and the for the year ended 31 October 2017.

Directors of the group

The Directors who held office during the year were as follows:

M B Roberts

K M Roberts

Dividends

The directors do not recommend the payment of a dividend.

Financial instruments

Objectives and policies

The group and company finances its operations through a mixture of retained profits, and where necessary to fund expansion or capital expenditure programmes through bank borrowing.

The management's objectives are to:

- retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on surplus funds;
- minimise the company's exposure to fluctuating interest rates when seeking new borrowings; and
- match the repayment schedule of any external borrowings or overdrafts with the expected future cash flows expected to arise from the company's trading activities.

As the group's and company's funds are invested in sterling bank deposit accounts there is no price risk exposure.

The group's and company's funds are held primarily in short term variable deposit accounts. The directors believe that this gives them the flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in the finance markets as they arise.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

The auditors Cassons Audit Services are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on
and signed on its behalf by:

18 JUN 2018


.....
M B Roberts
Director

CFR INVESTMENTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 OCTOBER 2017

The directors acknowledge their responsibilities 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 group and the company and of the profit or loss of the group and the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CFR INVESTMENTS LIMITED
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 31 OCTOBER 2017

Opinion

We have audited the financial statements of CFR Investments Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2017, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 October 2017 and of the group's 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 group 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 group's or the parent 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.

CFR INVESTMENTS LIMITED
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 31 OCTOBER 2017

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities [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.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

CFR INVESTMENTS LIMITED
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 31 OCTOBER 2017

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Anthony Reynolds (Senior Statutory Auditor)
For and on behalf of

Cassons Audit Services, Statutory Auditor
Rational House
64 Bridge Street
Manchester
M3 3BN

Date: 27 June 2018

CFR INVESTMENTS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 OCTOBER 2017

	Note	2017 £	2016 £
Turnover	3	22,580,724	28,197,454
Cost of sales		<u>(17,378,558)</u>	<u>(22,137,031)</u>
Gross profit		5,202,166	6,060,423
Administrative expenses		(5,060,471)	(5,466,079)
Other operating income	4	<u>36,000</u>	<u>36,000</u>
Operating profit	5	177,695	630,344
Interest payable and similar expenses	6	<u>(27,832)</u>	<u>(28,061)</u>
Profit before tax		149,863	602,283
Taxation	10	<u>(63,422)</u>	<u>(153,634)</u>
Profit for the financial year		<u>86,441</u>	<u>448,649</u>
Profit/(loss) attributable to:			
Owners of the company		<u>86,441</u>	<u>448,649</u>

The above results were derived from continuing operations.

The group has no recognised gains or losses for the year other than the results above.

CFR INVESTMENTS LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****YEAR ENDED 31 OCTOBER 2017**

	2017	2016
	£	£
Profit for the year	<u>86,441</u>	<u>448,649</u>
Total comprehensive income for the year	<u>86,441</u>	<u>448,649</u>
Total comprehensive income attributable to:		
Owners of the company	<u>86,441</u>	<u>448,649</u>

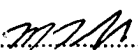
CFR INVESTMENTS LIMITED
CONSOLIDATED BALANCE SHEET
31 OCTOBER 2017

Registration Number: 07012921

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	11	329,695	121,582
Current assets			
Debtors	13	6,186,911	5,992,249
Cash at bank and in hand		<u>677,674</u>	<u>1,898,827</u>
		6,864,585	7,891,076
Creditors: Amounts falling due within one year	15	<u>(4,382,867)</u>	<u>(5,312,986)</u>
Net current assets		<u>2,481,718</u>	<u>2,578,090</u>
Total assets less current liabilities		2,811,413	2,699,672
Provisions for liabilities	16	<u>(35,000)</u>	<u>(9,700)</u>
Net assets		<u>2,776,413</u>	<u>2,689,972</u>
Capital and reserves			
Called up share capital	18	1	1
Other reserves		99,999	99,999
Profit and loss account		<u>2,676,413</u>	<u>2,589,972</u>
Equity attributable to owners of the company		<u>2,776,413</u>	<u>2,689,972</u>
Total equity		<u>2,776,413</u>	<u>2,689,972</u>

Approved and authorised by the Board on
and signed on its behalf by:

18 JUN 2018

.....


M B Roberts

Director

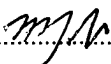
CFR INVESTMENTS LIMITED**BALANCE SHEET****31 OCTOBER 2017****Registration Number: 07012921**

	Note	2017 £	2016 £
Fixed assets			
Investments	12	100	100
Current assets			
Cash at bank and in hand		1	1
Creditors: Amounts falling due within one year	15	<u>(100)</u>	<u>(100)</u>
Net current liabilities		<u>(99)</u>	<u>(99)</u>
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital		<u>1</u>	<u>1</u>
Total equity		<u>1</u>	<u>1</u>

The company made a profit of £nil (2015 - £nil) as the company has not traded during the year.

Approved and authorised by the Board on
and signed on its behalf by:

18 JUN 2018


.....
M B Roberts
Director

CFR INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 OCTOBER 2017

	Share capital £	Merger reserve £	Profit and loss account £	Total equity £
At 1 November 2016	<u>1</u>	<u>99,999</u>	<u>2,589,972</u>	<u>2,689,972</u>
Profit for the year	<u>-</u>	<u>-</u>	<u>86,441</u>	<u>86,441</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>86,441</u>	<u>86,441</u>
At 31 October 2017	<u><u>1</u></u>	<u><u>99,999</u></u>	<u><u>2,676,413</u></u>	<u><u>2,776,413</u></u>

	Share capital £	Merger reserve £	Profit and loss account £	Total equity £
At 1 November 2015	<u>1</u>	<u>99,999</u>	<u>2,141,323</u>	<u>2,241,323</u>
Profit for the year	<u>-</u>	<u>-</u>	<u>448,649</u>	<u>448,649</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>448,649</u>	<u>448,649</u>
At 31 October 2016	<u><u>1</u></u>	<u><u>99,999</u></u>	<u><u>2,589,972</u></u>	<u><u>2,689,972</u></u>

CFR INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 OCTOBER 2017

	Share capital £	Total £
At 1 November 2016	<u>1</u>	<u>1</u>
At 31 October 2017	<u><u>1</u></u>	<u><u>1</u></u>

	Share capital £	Total £
At 1 November 2015	<u>1</u>	<u>1</u>
At 31 October 2016	<u><u>1</u></u>	<u><u>1</u></u>

CFR INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 OCTOBER 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the year		86,441	448,649
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	89,854	72,059
Loss on disposal of tangible assets		-	14,316
Finance costs	6	27,832	28,061
Corporation tax expense	10	63,422	153,634
		<u>267,549</u>	<u>716,719</u>
Working capital adjustments			
(Increase)/decrease in debtors	13	(161,746)	1,273,508
Decrease in creditors	15	(878,406)	(1,144,702)
		<u>(1,040,152)</u>	<u>(1,040,152)</u>
Cash generated from operations		(772,603)	845,525
Corporation tax paid	10	(122,751)	(215,362)
Net cash flow from operating activities		<u>(895,354)</u>	<u>630,163</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(290,134)	(47,738)
Proceeds from sale of tangible assets		-	13,002
Net cash flows from investing activities		<u>(290,134)</u>	<u>(34,736)</u>
Cash flows from financing activities			
Interest paid	6	(27,832)	(28,061)
Repayment of hire purchase liability		(7,833)	(37,124)
Net cash flows from financing activities		<u>(35,665)</u>	<u>(65,185)</u>
Net (decrease)/increase in cash and cash equivalents		(1,221,153)	530,242
Cash and cash equivalents at 1 November		<u>1,898,827</u>	<u>1,368,585</u>
Cash and cash equivalents at 31 October		<u>677,674</u>	<u>1,898,827</u>

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

The Grange
Pencoyd
Hereford
Herefordshire
HR2 8JY

These financial statements were authorised for issue by the Board on 18 June 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of disclosure exemptions

In accordance with FRS 102 section 1.12 the individual accounts of CFR Investments Limited adopt the following disclosure exemptions;

Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures.

Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.

Section 33 'Related Party Disclosures' - Compensation for key management personnel.

No Profit and Loss Account is presented for the Company as permitted by section 408 of the Companies Act 2006.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 October 2017.

CFR INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017

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

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Turnover

All revenue arises within the UK and is measured as the fair value of work done and goods and services provided in the normal course of business, net of value added tax, trade discounts and other sales taxes.

Profit is recognised on contracting activity if the financial outcome can be assessed with reasonable certainty by including in the profit and loss account, turnover and related costs as contract activity progresses. Turnover is calculated by the value of work performed to date as a proportion of the total contract value, less any future foreseeable losses.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets is stated in the Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

CFR INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017

Asset class	Depreciation method and rate
Leasehold improvements	10% straight line basis
Plant and machinery	25% straight line basis
Motor vehicles	25% straight line basis
Computer equipment	25% straight line basis

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Long term contracts

Amounts recoverable on long term contracts which are included in debtors are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised at the transaction price and are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

CFR INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

3 Turnover

The analysis of the group's turnover for the year from continuing operations is as follows:

	2017	2016
	£	£
Rendering of services	<u>22,580,724</u>	<u>28,197,454</u>

The total turnover of the group and the company for the year has been derived from the group's principal activity wholly undertaken in the United Kingdom.

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2017	2016
	£	£
Sub lease rental income	<u>36,000</u>	<u>36,000</u>

CFR INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017

5 Operating profit

Arrived at after charging/(crediting)

	2017	2016
	£	£
Depreciation expense	89,854	72,059
Operating lease expense - property	147,174	146,369
Operating lease expense - plant and machinery	402,383	583,371
Loss on disposal of property, plant and equipment	-	14,316
	<u>-</u>	<u>14,316</u>

6 Interest payable and similar expenses

	2017	2016
	£	£
Interest on bank overdrafts and borrowings	27,800	27,809
Interest on obligations under finance leases and hire purchase contracts	-	82
Interest expense on other finance liabilities	32	170
	<u>27,832</u>	<u>28,061</u>

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2017	2016
	£	£
Wages and salaries	5,156,086	5,866,777
Social security costs	475,207	540,212
Pension costs, defined contribution scheme	211,916	183,197
	<u>5,843,209</u>	<u>6,590,186</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2017	2016
	No.	No.
Production	94	116
Administration and support	84	91
	<u>178</u>	<u>207</u>

8 Directors' remuneration

No remuneration was paid to the directors during the year.

The cost of the services of the company's directors has been borne by a related party, C F Roberts (Holdings) Limited, and recharged to the group as an element of the management charges made by C F Roberts (Holdings) Limited.

CFR INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017

9 Auditors' remuneration

	2017 £	2016 £
Audit of these financial statements	2,380	1,900
Audit of the financial statements of subsidiaries of the company pursuant to legislation	<u>25,350</u>	<u>25,060</u>
	<u>27,730</u>	<u>26,960</u>
Other fees to auditors		
Taxation compliance services	2,000	2,000
All other assurance services	<u>270</u>	<u>1,040</u>
	<u>2,270</u>	<u>3,040</u>

The cost of the auditors' remuneration is borne by the main trading subsidiary, C F Roberts (Electrical Contractors) plc.

10 Taxation

Tax charged in the profit and loss account

	2017 £	2016 £
Current taxation		
UK corporation tax	35,000	152,800
UK corporation tax adjustment to prior periods	<u>3,122</u>	<u>(1,208)</u>
	38,122	151,592
Deferred taxation		
Arising from origination and reversal of timing differences	<u>25,300</u>	<u>2,042</u>
Tax expense in the income statement	<u>63,422</u>	<u>153,634</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2016 - higher than the standard rate of corporation tax in the UK) of 19% (2016 - 20%).

The differences are reconciled below:

	2017 £	2016 £
Profit before tax	<u>149,863</u>	<u>602,283</u>
Corporation tax at standard rate	28,474	120,457
Decrease from effect of different UK tax rates on some earnings	(735)	-
Expenses not deductible for tax purposes	21,299	32,252
Reversal of deferred tax timing differences	25,300	2,042
Difference between capital allowances and depreciation	(26,396)	933
Sundry tax adjusting items	<u>15,480</u>	<u>(2,050)</u>
Total tax charge	<u>63,422</u>	<u>153,634</u>

CFR INVESTMENTS LIMITED
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11 Tangible assets

Group

	Leasehold improve- ments £	Computer equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation					
At 1 November 2016	173,741	228,415	154,619	261,132	817,907
Additions	-	7,167	290,134	667	297,968
At 31 October 2017	<u>173,741</u>	<u>235,582</u>	<u>444,753</u>	<u>261,799</u>	<u>1,115,875</u>
Depreciation					
At 1 November 2016	156,174	201,039	107,952	231,160	696,325
Charge for the year	<u>13,234</u>	<u>13,311</u>	<u>48,886</u>	<u>14,424</u>	<u>89,855</u>
At 31 October 2017	<u>169,408</u>	<u>214,350</u>	<u>156,838</u>	<u>245,584</u>	<u>786,180</u>
Carrying amount					
At 31 October 2017	<u>4,333</u>	<u>21,232</u>	<u>287,915</u>	<u>16,215</u>	<u>329,695</u>
At 31 October 2016	<u>17,567</u>	<u>27,376</u>	<u>46,667</u>	<u>29,972</u>	<u>121,582</u>

CFR INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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12 Investments

Company

	2017 £	2016 £
Investments in subsidiaries	<u>100</u>	<u>100</u>
Subsidiaries		£
Cost or valuation		
At 1 November 2016		<u>100</u>
At 31 October 2017		<u>100</u>
Carrying amount		
At 31 October 2017		<u>100</u>
At 31 October 2016		<u>100</u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2017	2016
Subsidiary undertakings				
CFR Group Services Limited	England & Wales	Ordinary	100%	100%
C F Roberts (Electrical Contractors) plc*	England & Wales	Ordinary	100%	100%
C F Roberts (FM) Limited*	England & Wales	Ordinary	100%	100%
Marbid Partnership Limited*	England & Wales	Ordinary	100%	100%
Strebor Fire & Security Systems Limited*	England & Wales	Ordinary	100%	100%

* Shares in these companies are held by CFR Group Services Limited

The principal activity of CFR Group Services Limited is that of a holding company.

The principal activity of C F Roberts (Electrical Contractors) plc* is that of electrical contractors.

The principal activity of C F Roberts (FM) Limited* is that of a dormant company.

The principal activity of Marbid Partnership Limited* is that of a dormant company.

The principal activity of Strebor Fire & Security Systems Limited* is that of a dormant company.

CFR INVESTMENTS LIMITED
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13 Debtors

	Note	Group		Company	
		2017 £	2016 £	2017 £	2016 £
Trade debtors		3,010,747	3,152,260	-	-
Amounts owed by related parties	21	588,281	258,830	-	-
Other debtors		11,111	7,294	-	-
Prepayments		306,851	277,620	-	-
Amounts recoverable on long term contracts		2,237,005	2,296,245	-	-
Income tax asset	10	32,916	-	-	-
Total current trade and other debtors		<u>6,186,911</u>	<u>5,992,249</u>	<u>-</u>	<u>-</u>

14 Cash and cash equivalents

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Cash on hand	1,174	1,175	-	-
Cash at bank	<u>676,500</u>	<u>1,897,652</u>	<u>1</u>	<u>1</u>
	<u>677,674</u>	<u>1,898,827</u>	<u>1</u>	<u>1</u>

15 Creditors

	Note	Group		Company	
		2017 £	2016 £	2017 £	2016 £
Due within one year					
Trade creditors		3,188,170	3,869,538	-	-
Amounts due to group undertakings	21	250,000	250,000	-	-
Social security and other taxes		812,144	806,125	-	-
Other creditors		44,997	178,325	100	100
Accruals and deferred income		87,507	157,236	-	-
Corporation tax	10	49	51,762	-	-
		<u>4,382,867</u>	<u>5,312,986</u>	<u>100</u>	<u>100</u>

16 Deferred tax and other provisions

Group		Deferred tax £	Total £
At 1 November 2016		9,700	9,700
Increase (decrease) in existing provisions		<u>25,300</u>	<u>25,300</u>
At 31 October 2017		<u>35,000</u>	<u>35,000</u>

CFR INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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17 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £211,916 (2016 - £183,197).

18 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary 'A' shares of £0.01 each	80	0.80	80	0.80
Ordinary 'B' shares of £0.01 each	20	0.20	20	0.20
	<u>100</u>	<u>1</u>	<u>100</u>	<u>1</u>

19 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2017	2016
	£	£
Not later than one year	375,580	455,330
Later than one year and not later than five years	679,085	646,694
Later than five years	<u>720,000</u>	<u>840,000</u>
	<u>1,774,665</u>	<u>1,942,024</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £537,940 (2016 - £728,721).

20 Contingent liabilities

Company

The company is party to a group VAT registration. The company's liability in respect thereof at 31 October 2017 was £314,699 (2016 - £433,441).

21 Related party transactions

Group

CFR INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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Key management compensation

	2017	2016
	£	£
Salaries and other short term employee benefits	<u>-</u>	<u>232,315</u>

Summary of transactions with other related parties

The group continued to receive the benefit of a loan, for the purposes of working capital, of £250,000 (2016 - £250,000) from Barrington Investments Limited, a company under the common control of Mr M B Roberts. During the year, loan interest of £27,800 (2016 - £27,800) was paid at market rate of 11.1%. The loan is repayable on demand and included within Creditors: Amounts owed to related undertakings.

During the year, the group was charged management charges amounting to £390,849 (2016 - £402,530) by C F Roberts (Holdings) Limited, a company under the common control of Mr M B Roberts. The group received the benefit of a loan from C F Roberts (Holdings) Limited, for the purposes of working capital, of £307,981 (2016 - £(258,830) Dr). The loan is interest free, repayable on demand, and included within Creditors: Amounts owed to related parties (2016 - Debtors: Amounts owed to related parties).

During the year, the group recharged labour and expenses of £215,480 (2016 - £217,567) and recharged rent of £36,000 (2016 - £36,000) to a company in which the directors, Mr I R Henderson and Mr P S Roberts, and Mr M B Roberts, the ultimate controlling party, have an interest. The group was also charged £44,783 (2016 - £61,681) for services provided by that company. At the balance sheet date, the amount due from the related party was £28,217 (2016 - £35,706).

During the year, the group paid rent for its operating premises, on a commercial basis, of £127,583 (2016 - £127,350) to an entity in which Mr M B Roberts, the ultimate controlling party, has an interest. At the balance sheet date, the amount due from the entity was £3,875 (2016 - £nil).

The group also paid rent for operating premises, on a commercial basis, of £18,000 (2016 - £18,000) to Mr M B Roberts, the ultimate controlling party. At the balance sheet date, the amount due to Mr M B Roberts was £nil (2016 - £nil).

During the year, the group made sales of £46,923 (2016 - £7,284) and paid management charges of £224,898 (2016 - £271,562) to an entity in which the directors of the company, Mr I R Henderson and Mr P S Roberts, have an interest. At the balance sheet date, the amount due to the entity was £nil (2016 - £2,167).

Company

Summary of transactions with other related parties

At the balance sheet date, the company owed £100 (2016 - £100) to C F Roberts (Holdings) Limited and is included within Creditors: Other Payables in the consolidated financial statements.

22 Parent and ultimate parent undertaking

The ultimate controlling party is Mr M B Roberts by virtue of his majority shareholding in the company. These are the group's and company's first financial statements prepared in accordance with FRS 102. The accounting policies in note 2 have been applied in preparing the financial statements for the year ended 31 October 2016 and the comparative information presented in these financial statements for the year ended 31 October 2015.

In preparing its FRS 102 financial statements, there has been no impact on equity or profit and loss.