FRBC GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

Company Registration No. 11058310 (England and Wales)

FRBC GROUP LIMITED

COMPANY INFORMATION

Directors	Mr D Rogers Mrs L Blake
Company number	11058310
Registered office	c/o DSG, Chartered Accountants Castle Chambers 43 Castle Street Liverpool L2 9TL
Auditor	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL

FRBC GROUP LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 6
Group statement of income and retained earnings	7
Group balance sheet	8
Company balance sheet	9
Group statement of cash flows	11
Notes to the financial statements	12 - 26

FRBC GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present the strategic report for the year ended 30 September 2019.

Principal activities
The principal activity of the group continued to be that of building contractors.

The principal activity of the company is a holding company.

Fair review of the business
The results for the group show a pre-tax profit of £345,605 (2018: £334,9) for the year and sales of £9,975,567 (2018: £11,386,172).

The directors consider the state of the group's affairs to be satisfactory given the current economic climate and increased competition.

Principal risks and uncertainties
We have set out below a number of risk factors that we believe could cause our actual future results to differ materially from expected results. However, other factors could adversely affect the results so the factors set out below should not be considered to be a complete set of all potential risks and uncertainties.

Business conditions and the general economy
The profitability of the group could be adversely affected by a worsening of general economic conditions in the United Kingdom. Whilst a short term worsening in the economic conditions in the United Kingdom should not significantly adversely impact profitability, a sustained downturn over a number of years would be likely to lead to reduced profit in this area.

Credit risk
Credit risk is a constant risk and all new customers are reviewed and their financial position assessed before acceptance. The debt from existing customers is monitored on a regular basis to reduce the cash flow risk.

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board

Liquidity risk
The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business.

Regulatory compliance risk
The group is subject to regulatory compliance risk which can arise from a failure to comply fully with the laws, regulations or codes applicable, for example health and safety, licensing and fire regulations. Non-compliance can lead to fines, enforced suspension from sale of certain products or public reprimand.

Key performance indicators

Measure	**2019**	**2018**
Turnover	£9.9m	£11.4m
Gross profit	£1.8m	£1.6m
Operating profit	£0.3m	£0.3m

On behalf of the board

Mr D Rogers
Director
16 August 2020

FRBC GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their annual report and financial statements for the year ended 30 September 2019.

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

Mr D Rogers
Mrs L Blake
Mrs C Rogers (Resigned 10 March 2020)

Results and dividends
The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £108,239. The directors do not recommend payment of a further dividend.

Auditor
The auditor, DSG, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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

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 auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr D Rogers
Director

16 August 2020

FRBC GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FRBC GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FRBC GROUP LIMITED

Opinion

We have audited the financial statements of FRBC Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2019 which comprise the group statement of income and retained earnings, the group balance sheet, the company balance sheet, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2019 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

In preparing the financial statements, the directors are responsible for assessing the 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.

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

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.

Jean Ellis BA FCA CTA (Senior Statutory Auditor)
for and on behalf of DSG

16 August 2020

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

FRBC GROUP LIMITED

GROUP STATEMENT OF INCOME AND RETAINED EARNINGS (INCLUDING PROFIT AND LOSS ACCOUNT)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	Year ended 30 September 2019 £	Period ended 30 September 2018 £
Turnover	3	9,975,567	11,386,172
Cost of sales		(8,112,821)	(9,751,615)
Gross profit		1,862,746	1,634,557
Administrative expenses		(1,518,796)	(1,298,848)
Operating profit	4	343,950	335,709
Interest receivable and similar income	7	1,655	323
Interest payable and similar expenses	8	-	(1,042)
Profit before taxation		345,605	334,990
Tax on profit	9	(74,348)	(80,350)
Profit and total comprehensive income for the year		271,257	254,640
Retained earnings brought forward		146,401	-
Dividends		(108,239)	(108,239)
Retained earnings carried forward		309,419	146,401

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

FRBC GROUP LIMITED

GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	**11**		55,926		54,739
Current assets					
Stocks	**15**	57,547		34,146	
Debtors	**16**	4,723,014		5,877,807	
Cash at bank and in hand		1,534,180		49,842	
		6,314,741		5,961,795	
Creditors: amounts falling due within one year	**17**	(1,519,108)		(1,328,272)	
Net current assets			4,795,633		4,633,523
Total assets less current liabilities			4,851,559		4,688,262
Provisions for liabilities	**18**		(9,043)		(8,764)
Net assets			4,842,516		4,679,498
Capital and reserves					
Called up share capital	**20**		200		200
Other reserves			4,532,897		4,532,897
Profit and loss reserves			309,419		146,401
Total equity			4,842,516		4,679,498

The financial statements were approved by the board of directors and authorised for issue on 16 August 2020 and are signed on its behalf by:

Mr D Rogers
Director

FRBC GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 30 SEPTEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Investments	**12**		200		200
Current assets					
Debtors	**16**	2,646,932		3,472,857	
Cash at bank and in hand		1,102,945		-	
		3,749,877		3,472,857	
Creditors: amounts falling due within one year	**17**	(216,932)		(3,539,857)	
Net current assets/(liabilities)			3,532,945		(67,000)
Total assets less current liabilities			3,533,145		(66,800)
Capital and reserves					
Called up share capital	**20**		200		200
Profit and loss reserves			3,532,945		(67,000)
Total equity			3,533,145		(66,800)

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £3,708,184 (2018 - £41,239 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 16 August 2020 and are signed on its behalf by:

Mr D Rogers
Director

Company Registration No. 11058310

FRBC GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	Share capital	Other reserves	Profit and loss reserves	Total
		£	£	£	£
Balance at 10 November 2017		-	-	-	-
Period ended 30 September 2018:					
Profit and total comprehensive income for the period		-	-	254,640	254,640
Issue of share capital	**20**	200	-	-	200
Dividends	**10**	-	-	(108,239)	(108,239)
Transfers		-	4,532,897	-	4,532,897
Balance at 30 September 2018		200	4,532,897	146,401	4,679,498
Period ended 30 September 2019:					
Profit and total comprehensive income for the period		-	-	271,257	271,257
Dividends	**10**	-	-	(108,239)	(108,239)
Balance at 30 September 2019		200	4,532,897	309,419	4,842,516

Other reserves relate to pre-acquisition reserves of Frank Rogers (Building Contractors) Limited. The share capital of Frank Rogers (Building Contractors) Limited was transferred to FRBC Group Limited in the previous period at nominal value.

FRBC GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Cash flows from operating activities					
Cash generated from operations	**23**		2,084,799		181,765
Interest paid			-		(1,042)
Income taxes (paid)/refunded			(81,532)		9,836
Net cash inflow from operating activities			2,003,267		190,559
Investing activities					
Purchase of tangible fixed assets		(17,574)		(9,838)	
Proceeds from other investments and loans		(394,771)		(23,163)	
Interest received		1,655		323	
Net cash used in investing activities			(410,690)		(32,678)
Financing activities					
Proceeds from issue of shares		-		200	
Dividends paid to equity shareholders		(108,239)		(108,239)	
Net cash used in financing activities			(108,239)		(108,039)
Net increase in cash and cash equivalents			1,484,338		49,842
Cash and cash equivalents at beginning of year			49,842		-
Cash and cash equivalents at end of year			1,534,180		49,842

1 Accounting policies

Company information

FRBC Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is c/o DSG, Chartered Accountants, Castle Chambers, 43 Castle Street, Liverpool, L2 9TL.

The group consists of FRBC Group Limited and all of its subsidiaries.

The principal activities of the group and company are disclosed in the Strategic Report.

1.1 Accounting convention

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

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

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

The company is 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 for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and 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 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1 Accounting policies **(Continued)**

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of FRBC Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 September 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

As part of assessing the potential impact of the ongoing COVID-19 virus situation the directors have prepared revised financial forecasts. These forecasts indicate that the company will continue to trade profitably, and generate cash, over the period considered by them in their assessment of the appropriateness of adopting the going concern basis in the preparation of these financial statements. The directors have also considered the impact of potential operational challenges posed by COVID-19, including but not restricted to, an assessment of the robustness of their supply chain and broader logistics arrangements. The directors have concluded that any operational pressures caused directly by the COVID-19 situation are unlikely to have a material impact on the company. On this basis the directors consider it appropriate to prepare these financial statements on a going concern basis.

1.4 Turnover

Turnover represents amounts receivable for the provision of services up to the year end and is stated net of VAT and trade discounts.

Profit is recognised on long-term contracts, if the final 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 as that proportion of total contract value which costs to date bear to total expected costs for that contract.

1.5 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.

1 Accounting policies **(Continued)**

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:

Plant and equipment	25% reducing balance
Motor vehicles	25% reducing balance

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 recognised in the profit and loss account.

1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1.7 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

1 Accounting policies **(Continued)**

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 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 revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

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

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

Financial assets and liabilities are offset and 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.

1 **Accounting policies** **(Continued)**

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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 group 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 group after deducting all of its liabilities.

1 **Accounting policies** **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.12 Equity instruments

Equity instruments issued by the group are recorded at the 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 group.

1.13 Taxation

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

Current tax

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

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits

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

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

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

1.15 Retirement benefits

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

1.16 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 leased asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

3 Turnover and other revenue

	2019	2018
	£	£
Turnover analysed by class of business		
Sale of services	9,975,567	11,386,172

	2019	2018
	£	£
Other significant revenue		
Interest income	1,655	323

	2019	2018
	£	£
Turnover analysed by geographical market		
United Kingdom	9,975,567	11,386,172

4 Operating profit

	2019	2018
	£	£
Operating profit for the period is stated after charging:		
Depreciation of owned tangible fixed assets	16,387	16,702
Cost of stocks recognised as an expense	1,467,592	1,924,942
Operating lease charges	52,241	44,529

5 Auditor's remuneration

	2019	2018
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	1,000	-
Audit of the financial statements of the company's subsidiaries	12,000	12,000
	13,000	12,000

6 Employees

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

	Group		Company	
	2019	2018	2019	2018
	Number	Number	Number	Number
Employees	51	58	-	-

6 Employees (Continued)

Their aggregate remuneration comprised:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Wages and salaries	1,328,455	1,470,108	-	-
Social security costs	119,077	131,570	-	-
Pension costs	61,983	55,954	-	-
	1,509,515	1,657,632	-	-

7 Interest receivable and similar income

	2019	2018
	£	£
Interest income		
Interest on bank deposits	1,655	317
Other interest income	-	6
Total income	1,655	323

8 Interest payable and similar expenses

	2019	2018
	£	£
Interest on bank overdrafts and loans	-	17
Other interest	-	1,025
Total finance costs	-	1,042

9 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	73,959	81,422
Adjustments in respect of prior periods	110	-
Total current tax	74,069	81,422
Deferred tax		
Origination and reversal of timing differences	279	(1,072)
Total tax charge	74,348	80,350

9 Taxation **(Continued)**

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019	2018
	£	£
Profit before taxation	345,605	334,990
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	65,665	63,648
Tax effect of expenses that are not deductible in determining taxable profit	8,606	16,576
Adjustments in respect of prior years	110	-
Permanent capital allowances in excess of depreciation	(312)	1,198
Deferred tax movement	279	(1,072)
Taxation charge	74,348	80,350

10 Dividends

	2019	2018
	£	£
Interim paid	108,239	108,239

11 Tangible fixed assets

Group	Plant and equipment	Motor vehicles	Total
	£	£	£
Cost			
At 1 October 2018	185,638	72,423	258,061
Additions	17,574	-	17,574
At 30 September 2019	203,212	72,423	275,635
Depreciation and impairment			
At 1 October 2018	162,736	40,586	203,322
Depreciation charged in the year	8,428	7,959	16,387
At 30 September 2019	171,164	48,545	219,709
Carrying amount			
At 30 September 2019	32,048	23,878	55,926
At 30 September 2018	22,902	31,837	54,739

The company had no tangible fixed assets at 30 September 2019 or 30 September 2018.

12 Fixed asset investments

		Group		Company	
		2019	2018	2019	2018
	Notes	£	£	£	£
Investments in subsidiaries	13	-	-	200	200

Movements in fixed asset investments

Company	Shares in group undertakings
	£
Cost or valuation	
At 1 October 2018 and 30 September 2019	200
Carrying amount	
At 30 September 2019	200
At 30 September 2018	200

13 Subsidiaries

Details of the company's subsidiaries at 30 September 2019 are as follows:

13 Subsidiaries (Continued)

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Frank Rogers (Building Contractors) Limited	The Stables, Larkhill Lane, Liverpool, Merseyside., L13 9BR	Building contractor	Ordinary	100.00

14 Financial instruments

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	3,838,075	4,505,795	n/a	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	1,203,358	1,201,540	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

15 Stocks

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Work in progress	57,547	34,146	-	-

16 Debtors

	Group		Company	
	2019	2018	2019	2018
Amounts falling due within one year:	£	£	£	£
Trade debtors	1,209,991	1,026,595	-	-
Gross amounts owed by contract customers	830,360	1,303,192	-	-
Amounts owed by group undertakings	-	-	24,599	-
Other debtors	2,628,084	3,500,122	2,622,333	3,472,857
Prepayments and accrued income	54,579	47,898	-	-
	4,723,014	5,877,807	2,646,932	3,472,857

17 Creditors: amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	737,068	581,486	-	-
Amounts owed to group undertakings	-	-	-	3,458,076
Corporation tax payable	73,959	81,422	-	-
Other taxation and social security	241,791	45,310	-	-
Other creditors	23,107	18,542	16,932	14,781
Accruals and deferred income	443,183	601,512	200,000	67,000
	1,519,108	1,328,272	216,932	3,539,857

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities	Liabilities
	2019	2018
Group	£	£
Accelerated capital allowances	9,043	8,764

The company has no deferred tax assets or liabilities.

	Group	Company
	2019	2019
Movements in the year:	£	£
Liability at 1 October 2018	8,764	-
Charge to profit or loss	279	-
Liability at 30 September 2019	9,043	-

19 Retirement benefit schemes

	2019	2018
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	61,983	55,954

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

20 Share capital

	Group and company	
	2019	2018
Ordinary share capital	£	£
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
51 'A' Ordinary shares of £1 each	51	51
39 'B' Ordinary shares of £1 each	39	39
10 'C' Ordinary shares of £1 each	10	10
	200	200

21 Operating lease commitments

Lessee

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Within one year	35,003	15,388	-	-
Between two and five years	13,650	17,794	-	-
	48,653	33,182	-	-

22 Directors' transactions

Dividends totalling £108,239 (2018 - £108,239) were paid in the year in respect of shares held by the company's directors.

Description	Opening balance	Amounts advanced	Amounts repaid	Closing balance
	£	£	£	£
Mr D Rogers - Loan	23,163	412,967	(18,196)	417,934
	23,163	412,967	(18,196)	417,934

23 Cash generated from group operations

	2019	2018
	£	£
Profit for the year after tax	271,257	254,640
Adjustments for:		
Taxation charged	74,348	80,350
Finance costs	-	1,042
Investment income	(1,655)	(323)
Depreciation and impairment of tangible fixed assets	16,387	16,702
Movements in working capital:		
Increase in stocks	(23,401)	(34,146)
Decrease/(increase) in debtors	1,549,564	(1,383,350)
Increase in creditors	198,299	1,246,850
Cash generated from operations	2,084,799	181,765

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