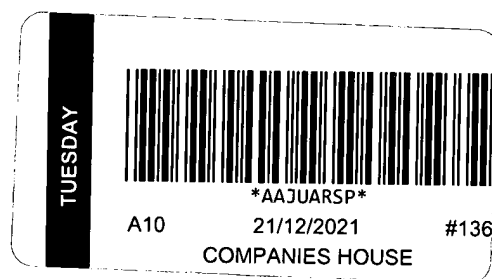


Registered number: 02180612

**M. F. FREEMAN LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**



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**M. F. FREEMAN LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	M F Freeman J M Freeman L F Freeman P Wharton S King (resigned 31 October 2020) S Barnes S Mantell (appointed 12 October 2020)
<b>Company secretary</b>	J M Freeman
<b>Registered number</b>	02180612
<b>Registered office</b>	Ruardean Works Varnister Road Drybrook Gloucestershire GL17 9BH
<b>Independent auditor</b>	Crowe U.K. LLP Fourth Floor St James House St James Square Cheltenham GL50 3PR

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**M. F. FREEMAN LIMITED**

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## M. F. FREEMAN LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

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#### Business review

The principal activities of the Company continue to be property development, civil engineering and plant hire and related services.

The Company delivered turnover of £6.7m and EBITDA of £47k (2020: turnover of £15m and EBITDA of £87k). This performance is in line with directors' expectations as the Company continues to invest in support of its longer-term strategy to increase the number of active housebuilding developments and grow the volume of new home sales in line with Group's mission of Building for a Better Future.

The Board is also satisfied with the business's progress since the year-end, with the Company returning EBITDA and bottom-line profitability in line with expectations in the first half of 2021/22.

The Company was impacted as a result of the initial lockdown as a result of the Covid-19 outbreak with sites closed and a number of employees placed on furlough. However, post the initial lockdown, the Company has seen contracting and plant activity return to pre-lockdown levels whilst it continues to bring forward further housing sites into production. During the lockdown period enforced by Covid-19 the Group took advantage of loan facilities backed by Government to draw down a Coronavirus Business Interruption Loan ("CBIL") and HP asset purchase facility to aid in its working capital requirements.

#### Principal risks and uncertainties

The principal risks and uncertainties which might impact the Company's future financial performance relate to changes in the UK economy and the potential resultant impact on the construction and property sector. Specifically, the factors which could have a significant impact on the Company's profitability and cash flows are:

- the process for planning applications and the impact of any timing delays
- general UK housing market conditions
- the availability of funding for property development at suitable rates of borrowing
- the availability of land at reasonable prices in good locations

The Company operates chiefly in the South West of England and therefore possesses a detailed knowledge of the local housing and construction market and land opportunities in this region. A thorough assessment of expected sales prices is conducted prior to site acquisition. The Group works closely alongside selected funding partners to secure optimum borrowing rates for development projects, with all funding proposals approved by the Board prior to draw down.

All of the shareholders of the ultimate holding company are also directors of the Company and regularly attend board meetings to review and assess the Company's performance and strategy. The principal risk factors above are monitored and discussed at Board level on a regular basis and are considered alongside projected site budgets and cash flows in advance of any new development site purchases or other major contracts being entered into.

There remain inherent risks in the wider economy as a result of the Covid-19 pandemic. Whilst demand for the Company's services remains strong, shifts in the macro economy may reduce the Company's growth plans if customers scale back investment in contracting projects, or demand in the housing market weakens.

The Directors consider the current and projected market conditions when entering into new contracts.

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**M. F. FREEMAN LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Financial key performance indicators**

The Company measures its financial performance using the following indicators:

	2021	2020
Turnover	£6.7m	£15m
Gross profit %	34%	18.9%
EBITDA before dividends receivable	£47k	£87k
Cash balance	£645k	£1.5m

**Health and Safety**

The Company places great importance on ensuring that health and safety regulations are complied with in order to maintain the safety of its employees and other site visitors. Regular training is provided to employees on health and safety to ensure we continue to minimise the risk of incidents on site.

On site health and safety performance is monitored and assessed by an independent consultancy which reports to the Board using a scoring system. Overall performance on health and safety matters has been at or above the required compliance level over the course of the year.

This report was approved by the Board on 17/12/2021

and signed on its behalf by:

M F Freeman  
Director



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**M. F. FREEMAN LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

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The directors present their report and the financial statements for the year ended 31 March 2021.

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Results and dividends**

The profit for the year, after taxation, amounted to £18,139 (2020 - £7,714).

No dividends were distributed for the year (2020: £Nil).

**Directors**

The directors who served during the year were:

M F Freeman  
J M Freeman  
L F Freeman  
P Wharton  
S King (resigned 31 October 2020)  
S Barnes  
S Mantell (appointed 12 October 2020)

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**M. F. FREEMAN LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Going concern**

The Directors have assessed the Company's ability to continue as a going concern for a period of twelve months from the date of approval of these financial statements. The directors of the Company, who are also directors of the ultimate holding company, are of the opinion that the group's net assets are sufficient to enable working capital to be available to the Company to satisfy its liabilities as they fall due. The directors have therefore concluded that it is appropriate to prepare the Company's financial statements on a going concern basis.

The Covid-19 pandemic has not had a significant, immediate impact on the Company's operations, but the directors are aware that further disruption could affect the Company's and other group entities growth forecasts. The directors have set out plans to help mitigate these risks if they were to arise.

Having regard to the above, the directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

**Future developments**

Since the reporting date, the Company has continued its core activities and there have not been any future developments of note.

**Disclosure of information to auditor**

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

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

**Events after the end of the reporting period**

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

**Auditor**

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

This report was approved by the board on 17/12/2021

and signed on its behalf.

  
M F Freeman  
Director

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## **M. F. FREEMAN LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M. F. FREEMAN LIMITED**

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#### **Opinion**

We have audited the financial statements of M. F. Freeman Limited ('the Company') for the year ended 31 March 2021, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, 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 Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



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## **M. F. FREEMAN LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M. F. FREEMAN LIMITED (CONTINUED)**

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#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

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

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

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

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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## **M. F. FREEMAN LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M. F. FREEMAN LIMITED (CONTINUED)**

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#### **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.

*Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:*

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Financial Reporting Standard 102 and Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and completeness of income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases and designing audit procedures to test the timing of income.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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 directors, 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 directors 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 directors, as a body, for our audit work, for this report, or for the opinions we have formed.

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**M. F. FREEMAN LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M. F. FREEMAN LIMITED (CONTINUED)**

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Chris Mould (Senior statutory auditor)

for and on behalf of  
**Crowe U.K. LLP**

Statutory Auditor

Fourth Floor  
St James House  
St James Square  
Cheltenham  
GL50 3PR

Date: 17.12.2021

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**M. F. FREEMAN LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**

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	Note	2021 £	2020 £
Turnover	3	6,707,932	15,048,780
Cost of sales		(4,421,652)	(12,195,695)
<b>Gross profit</b>		<b>2,286,280</b>	<b>2,853,085</b>
Administrative expenses		(2,808,340)	(2,837,199)
Other operating income		500,839	-
<b>Operating (loss)/profit</b>	5	<b>(21,221)</b>	<b>15,886</b>
Income from fixed assets investments	9	32,491	-
Interest receivable and similar income	10	-	1,185
Interest payable and similar expenses	11	(1,304)	(2,696)
<b>Profit before tax</b>		<b>9,966</b>	<b>14,375</b>
Tax on profit	12	8,173	(6,661)
<b>Profit for the financial year</b>		<b>18,139</b>	<b>7,714</b>

There was no other comprehensive income for 2021 (2020: £NIL).

The notes on pages 12 to 28 form part of these financial statements.

**M. F. FREEMAN LIMITED**  
**REGISTERED NUMBER: 02180612**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	13	838,822	902,627
Investments	14	1	1
		<u>838,823</u>	<u>902,628</u>
<b>Current assets</b>			
Stocks	15	5,122,551	3,617,585
Debtors: amounts falling due within one year	16	7,633,844	7,616,087
Cash at bank and in hand	17	645,563	1,508,350
		<u>13,401,958</u>	<u>12,742,022</u>
Creditors: amounts falling due within one year	18	(4,158,072)	(5,051,437)
<b>Net current assets</b>		<u>9,243,886</u>	<u>7,690,585</u>
<b>Total assets less current liabilities</b>		<u>10,082,709</u>	<u>8,593,213</u>
Creditors: amounts falling due after more than one year	19	(5,304,545)	(4,419,261)
<b>Provisions for liabilities</b>			
Deferred tax	22	(67,452)	(71,347)
Other provisions		(589,968)	-
		<u>(657,420)</u>	<u>(71,347)</u>
<b>Net assets</b>		<u><u>4,120,744</u></u>	<u><u>4,102,605</u></u>
<b>Capital and reserves</b>			
Called up share capital	24	100	100
Profit and loss account	25	4,120,644	4,102,505
		<u>4,120,744</u>	<u>4,102,605</u>

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

17/12/2021

and

**M F Freeman**  
Director

The notes on pages 12 to 28 form part of these financial statements.

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**M. F. FREEMAN LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

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	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
<b>At 1 April 2019</b>	<b>100</b>	<b>4,094,791</b>	<b>4,094,891</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	7,714	7,714
<b>At 1 April 2020</b>	<b>100</b>	<b>4,102,505</b>	<b>4,102,605</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	18,139	18,139
<b>At 31 March 2021</b>	<b>100</b>	<b>4,120,644</b>	<b>4,120,744</b>

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**M. F. FREEMAN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**1. General information**

M F Freeman Limited is a private company, limited by shares, registered in England and Wales (Registered no. 02180612). The address of the principal place of business and registered office is Ruardean Works, Varnister Road, Drybrook, Gloucestershire, GL17 9BH.

The principal activity of the Company is the provision of property development services, civil engineering contracting and plant hire.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

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

The financial statements contain information about M F Freeman Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt, by virtue of Section 400 of the Companies Act 2006, from the requirement to prepare group financial statements. Results of the entity are included within the consolidated financial statements of M F Freeman Holdings Limited (see note 29).

The Company wholly owns The Fairways Chippenham Limited and Alton Road Business Park Management Company Limited. They are both private companies limited by shares, and registered at the same address as the Company.

The following principal accounting policies have been applied:

**2.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- the requirements of Section 7, Statement of Cash Flows;
- the requirements of Section 11, Financial Instruments paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29; and
- the requirement of Section 33, Related Party Disclosures paragraph 33.7.

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**M. F. FREEMAN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.3 Going concern**

The financial statements are presented on a going concern basis. In assessing the Company's ability to continue as a going concern, the directors have taken into consideration all available information relating to the twelve month period from the date of approval of these financial statements, including current and future trading and cashflow of the Company and other group entities.

The Covid-19 pandemic has not had a significant, immediate impact on the Company's operations, but the directors are aware that if a further significant prolonged lockdown was to occur then this may reduce the Company's growth forecasts.

Having regard to the above, the directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

**2.4 Turnover**

Turnover represents net invoiced sales of goods and services from construction services, contracting, plant hire and management charges, excluding value added tax.

The attributable profit on long term contracts is only recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project. Amounts recoverable on contracts are stated at surveyors' valuation less provision for anticipated losses and deduction of applicable payments on account. Full provision is made for losses on contracts in the year in which the loss is first foreseen.

**Rendering of services**

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

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

**2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses.



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**M. F. FREEMAN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.5 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using rates as follows:

Improvements to property	-	2% straight line on cost
Plant and machinery	-	6% straight line on cost (moveable cabins) / 20% reducing balance
Motor vehicles	-	20% on reducing balance
Fixtures and fittings	-	20% on reducing balance
Office equipment	-	33% on reducing balance / 10% straight line on cost

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.6 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.7 Stocks**

Stock relates to work in progress which is valued at the lower of cost and estimated selling price less costs to complete and sell which is equivalent to the net realisable value. Cost comprises direct materials and, where applicable, direct labour costs, attributable overheads, interest charges and finance costs.

At each reporting date, management assesses the cost held and where necessary will write down the work in progress to its net realisable value.

**2.8 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**2.9 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**2.10 Creditors**

Short term creditors are measured at the transaction price.

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**M. F. FREEMAN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.11 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, amounts owed to and from group undertakings, loans from banks and other third parties, and amounts and loans owed to and from related parties.

**2.12 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

**2.13 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt at the rate of interest implicit in the agreement.

**2.14 Finance leases and hire purchase contracts**

Assets obtained under hire purchase contracts or finance leases are capitalised in the Statement of financial position. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the Statement of comprehensive income over the relevant period. The capital element of the future payments is treated as a liability.

**2.15 Pension costs and other post-retirement benefits**

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to the Statement of comprehensive income in the period to which they relate.

**2.16 Provisions for liabilities**

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

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

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**M. F. FREEMAN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.17 Taxation**

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

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

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

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

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

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**M. F. FREEMAN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.18 Significant estimates and judgements**

Preparation of the financial statements requires management to make judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

**a) Useful economic lives of tangible fixed assets**

The annual depreciation charge for tangible fixed assets is sensitive to changes in estimates of useful economic lives and residual values of the assets concerned. The useful economic lives and residual values are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of tangible fixed assets and note 2.5 for the useful lives for each class of asset.

**b) Impairment of investments**

When assessing the impairment of investments, management considers factors including the financial results, future outlook, net assets and market value of each investment. See note 14 for the net carrying amount of investments.

**c) Stock provisioning**

Management considers the recoverability of the cost of work in progress and finished goods and estimates the associated provisioning required. When calculating the stock provision, management considers estimates, the nature and condition of the stock, as well as applying assumptions around anticipated saleability. See note 15 for the net carrying amount of stocks held.

**d) Impairment of debtors**

Management makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 16 for the net carrying amount of debtors.

**e) Provisions**

Management makes an estimate of the costs of completing works to support owners and other relevant stakeholders on buildings it has developed, in order to reach positive solutions where these buildings are affected. These estimates may change over time as further information is assessed and remedial works progressed. This is a complex area with judgements and estimates in respect of the cost of remedial works to be incurred. See note 23 for the value of provisions estimate.

**3. Turnover**

Turnover amounting to £6,707,932 (2020: £15,048,780), is attributable to the provision of services including construction services, contracting, plant hire and management charges.

All turnover arose within the United Kingdom.

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**M. F. FREEMAN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**4. Other operating income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Government grants receivable - Coronavirus Job Retention Scheme	<b>500,839</b>	<b>-</b>

**5. Operating (loss)/profit**

Operating profit is stated after charging:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets - owned	<b>61,340</b>	<b>63,204</b>
Depreciation of tangible fixed assets - hire purchase	<b>6,705</b>	<b>8,075</b>

**6. Auditor's remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<b>9,100</b>	<b>9,100</b>

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**M. F. FREEMAN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**7. Employees and directors**

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

	2021 £	2020 £
Wages and salaries	2,799,115	3,065,657
Social security costs	291,951	336,696
Cost of defined contribution pension scheme	92,303	117,164
	<u>3,183,369</u>	<u>3,519,517</u>

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

	2021 No.	2020 No.
Production	38	41
Administration	34	37
Directors	5	5
	<u>77</u>	<u>83</u>

**8. Directors' remuneration**

	2021 £	2020 £
Directors' emoluments	<u>352,851</u>	<u>365,057</u>

The highest paid director received remuneration of £129,107 (2020 - £141,076).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,169 (2020 - £12,000).

During the year retirement benefits were accruing to 3 directors (2020: 3) in respect of defined contribution pension schemes.

The total value of the Company's contributions paid to a defined contribution pension scheme in respect of the directors amounted to £22,250 (2020: £26,454).

The total remuneration for key management personnel, including employers national insurance and pension contributions, amounted to £352,851 (2020: £365,057).

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**M. F. FREEMAN LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2021**

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**9. Income from investments**

	<b>2021</b> £	<b>2020</b> £
Dividends received	<b>32,491</b>	-

**10. Interest receivable**

	<b>2021</b> £	<b>2020</b> £
Other interest receivable	-	1,185

**11. Interest payable and similar expenses**

	<b>2021</b> £	<b>2020</b> £
Bank interest payable	<b>698</b>	1,516
Interest on finance leases and hire purchase contracts	<b>606</b>	1,180
	<b>1,304</b>	2,696

During the year, interest of £22,843 (2020: £27,561) was capitalised.

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**M. F. FREEMAN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**12. Taxation**

	2021 £	2020 £
<b>Corporation tax</b>		
Adjustments in respect of previous periods	(6,026)	(11,191)
Group taxation relief	1,748	11,406
<b>Total current tax</b>	<u>(4,278)</u>	<u>215</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(3,895)	(1,189)
Changes to tax rates	-	7,635
<b>Total deferred tax</b>	<u>(3,895)</u>	<u>6,446</u>
<b>Taxation on profit on ordinary activities</b>	<u>(8,173)</u>	<u>6,661</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>9,966</u>	<u>14,375</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	1,894	2,731
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	3,911
Depreciation in excess of capital allowances	2,134	5,703
Income not taxable for tax purposes	(6,174)	(2,129)
Adjustments to tax charge in respect of prior periods	(6,027)	(11,191)
Other timing differences leading to an increase (decrease) in taxation	-	7,636
<b>Total tax charge for the year</b>	<u>(8,173)</u>	<u>6,661</u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.



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**M. F. FREEMAN LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2021**

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**13. Tangible fixed assets**

	Improvements to property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>						
At 1 April 2020	546,442	161,612	39,333	33,698	397,528	1,178,613
Additions	-	1,715	-	2,525	-	4,240
At 31 March 2021	<u>546,442</u>	<u>163,327</u>	<u>39,333</u>	<u>36,223</u>	<u>397,528</u>	<u>1,182,853</u>
<b>Depreciation</b>						
At 1 April 2020	40,332	63,332	18,775	25,806	127,741	275,986
Charge for the year on owned assets	11,229	12,372	4,112	1,957	38,375	68,045
At 31 March 2021	<u>51,561</u>	<u>75,704</u>	<u>22,887</u>	<u>27,763</u>	<u>166,116</u>	<u>344,031</u>
<b>Net book value</b>						
At 31 March 2021	<u>494,881</u>	<u>87,623</u>	<u>16,446</u>	<u>8,460</u>	<u>231,412</u>	<u>838,822</u>
At 31 March 2020	<u>506,110</u>	<u>98,280</u>	<u>20,558</u>	<u>7,892</u>	<u>269,787</u>	<u>902,627</u>

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**M. F. FREEMAN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**13. Tangible fixed assets (continued)**

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Plant and machinery	20,370	22,963
Motor vehicles	16,446	20,558
	<u>36,816</u>	<u>43,521</u>

**14. Fixed asset investments**

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	1
At 31 March 2021	<u>1</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Alton Road Business Park Management Company Limited	A Ordinary	100%
The Fairways Chippenham Limited	Ordinary	100%

**15. Stocks**

	2021 £	2020 £
Work in progress	<u>5,122,551</u>	<u>3,617,585</u>

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**M. F. FREEMAN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**16. Debtors**

	2021 £	2020 £
Trade debtors	483,631	580,737
Amounts owed by group undertakings	6,222,691	5,908,111
Amounts owed by related parties	60,803	427,370
Other debtors	745,767	513,040
Prepayments and accrued income	120,952	186,829
	<u>7,633,844</u>	<u>7,616,087</u>

Included within other debtors is amounts due from Directors totalling £130,623. No interest is charged on this balance.

**17. Cash and cash equivalents**

	2021 £	2020 £
Cash at bank and in hand	<u>645,563</u>	<u>1,508,350</u>

**18. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Bank loans	104,167	-
Trade creditors	763,954	1,043,419
Amounts owed to group undertakings	952,311	3,049,978
Amounts owed to related parties	668,632	380,689
Other taxation and social security	88,238	129,070
Obligations under finance lease and hire purchase contracts	11,160	14,424
Other creditors	695,323	22,551
Accruals and deferred income	874,287	411,306
	<u>4,158,072</u>	<u>5,051,437</u>

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**M. F. FREEMAN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**19. Creditors: Amounts falling due after more than one year**

	2021 £	2020 £
Bank loans	1,145,833	-
Other loans	4,151,256	4,401,256
Net obligations under finance leases and hire purchase contracts	7,456	18,005
	<u>5,304,545</u>	<u>4,419,261</u>

A total of £18,616 (2020: £32,429) of finance leases and hire purchase contracts are secured debts included within creditors.

**20. Loans**

Analysis of the maturity of loans is given below:

	2021 £	2020 £
<b>Amounts falling due within one year</b>		
Bank loans	104,167	-
	<u>104,167</u>	<u>-</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	250,000	-
Other loans	4,151,256	4,401,256
	<u>4,401,256</u>	<u>4,401,256</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	895,833	-
	<u>895,833</u>	<u>-</u>
<b>Total loans</b>	<u>5,401,256</u>	<u>4,401,256</u>

Other loans due after more than one year represent an unsecured debt owed to shareholders of the ultimate holding company, which is repayable no earlier than 31 March 2022.

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**M. F. FREEMAN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**21. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	11,197	14,488
Between one and five years inclusive	7,456	18,005
Less: interest element	(37)	(64)
	<u>18,616</u>	<u>32,429</u>

The amounts above relate to assets used in the business. The associated finance leases and hire purchase contracts are all cancellable at a minimum of one month's notice.

**22. Deferred taxation**

	2021 £	2020 £
At beginning of year	(71,347)	(64,901)
Charge in year	3,895	(6,446)
At end of year	<u>(67,452)</u>	<u>(71,347)</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(71,347)	(72,473)
Short term timing differences	3,895	1,126
	<u>(67,452)</u>	<u>(71,347)</u>

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**M. F. FREEMAN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**23. Provisions**

	<b>Customer care provision £</b>
At 1 April 2020	-
Charged to profit or loss	<b>589,968</b>
<b>At 31 March 2021</b>	<b><u>589,968</u></b>

Customer care provisions are an estimate of the costs of completing works to support owners and other relevant stakeholders on buildings the company has developed, in order to reach positive solutions where these buildings are affected. These estimates may change over time as further information is assessed and remedial works progressed.

**24. Share capital**

	<b>2021 £</b>	<b>2020 £</b>
<b>Allotted, called up and fully-paid</b>		
100 (2020 - 100) Ordinary shares of £1.00 each	<b><u>100</u></b>	<b><u>100</u></b>

**25. Reserves**

**Profit and loss account**

The profit and loss account reserve represents all current and prior year retained profits and losses of the Company.

**26. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions payable by the Company to the funds and amounted to £92,303 in the year (2020: £117,164). Contributions totalling £Nil (2020: £5,925) were payable to the funds at the reporting date and are included in creditors.

**27. Contingent liabilities**

The Company's bankers hold cross guarantees provided by the Company and fellow group undertakings in respect of a bank overdraft facility and CBILS loan. The balance of these borrowings as at 31 March 2021 was £Nil (2020: £Nil).

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**M. F. FREEMAN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**28. Related party transactions**

The Company has taken advantage of the exemption available under FRS 102 Section 33.1A from disclosing transactions with entities that are wholly owned within the group.

The following transactions are with businesses which are considered to be related to the Company by virtue of a common relationship.

The Company charged the following for goods and services supplied:

Eagle Inns (Walford) Trading Limited	£1,215	(2020 - £7,996)
M F Freeman Limited RBS	£19,504	(2020 - £4,444)
M & J Freeman (Farming)	£67,708	(2020 - £62,817)
M & J Freeman (Plant Hire)	£9,042	(2020 - £108,378)
R, S & A Bennett	£Nil	(2020 - £1,300)
Woodfield Developments Limited	£94,008	(2020 - £60,408)
Eagle Inns (Walford) Limited	£391	(2020 - £Nil)

The Company was charged the following for goods and services received:

Eagle Inns (Walford) Trading Limited	£Nil	(2020 - £4,423)
M & J Freeman (Farming)	£102,298	(2020 - 107,767)
M & J Freeman (Plant Hire)	£181,034	(2020 - £185,613)
QuoLux Ltd	£22,027	(2020 - £36,277)
Woodfield Developments Limited	£128,167	(2020 - £173,743)

The following balances were owing to the Company at the reporting date:

M & J Freeman (Plant Hire)	£507,659	(2020 - £883,519)
Woodfield Developments Limited	£25,578	(2020 - £39,566)
Eagle Inns (Walford) Trading Limited	£10,179	(2020 - £Nil)
M & J Freeman (Farming)	£33,805	(2020 - £Nil)
Eagle Inns (Walford) Limited	£469	(2020 - £Nil)
Alton Road Business Park Management Company	£44,834	(2020 - £Nil)
M F Freeman Limited RBS	£17,743	(2020 - £Nil)

The following balances were owed by the Company at the reporting date:

M & J Freeman (Farming)	£Nil	(2020 - £380,689)
QuoLux Ltd	£Nil	(2020 - £2,400)

Included within other debtors is £30,623 (2020: £15,463 owed to directors of the company) which is owed by directors of the Company. There are no terms agreed for repayment of this balance and no interest is charged.

**29. Controlling party**

The immediate parent company is M F Freeman Group Limited. The registered office is Ruardean Works, Varnister Road, Drybrook, Gloucestershire, GL17 9BH.

The parent undertaking of the smallest and largest group for which consolidate financial statements are prepared is M F Freeman Holdings Limited. A copy of this Company's consolidated financial statements is available from Companies House, Cardiff.