

Registration number: 06450934

Frame-Tech Structures Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

Walker & Sutcliffe
Chartered Accountants and Registered Auditors
12 Greenhead Road
Huddersfield
West Yorkshire
HD1 4EN



Frame-Tech Structures Limited

Contents

Company Information	1
Strategic Report	2 to 3
Directors' Report	4 to 5
Statement of Directors' Responsibilities	6
Independent Auditor's Report	7 to 10
Profit and Loss Account	11
Statement of Comprehensive Income	12
Balance Sheet	13
Statement of Changes in Equity	14
Notes to the Financial Statements	15 to 27

Frame-Tech Structures Limited

Company Information

Directors	Mr J L Atkinson
	Mr P O'Brien
	Mr P G Lagan
	Mr M L Johnston
	Mr J P K Lagan
	Mr D Lea
Company secretary	Mr J L Atkinson
Registered office	Lock Way Ravensthorpe Dewsbury West Yorkshire WF13 3SX
Auditors	Walker & Sutcliffe Chartered Accountants and Registered Auditors 12 Greenhead Road Huddersfield West Yorkshire HD1 4EN

Frame-Tech Structures Limited

Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Principal activity

The principal activity of the company is that of the manufacture and erection of timber framed buildings.

Fair review of the business

The results for the year and financial position of the company are shown as in the annexed financial statements.

The company has continued to see successful growth throughout 2021. On an averaged 12 month comparison, turnover has increased 25% from the previous year. During the year, the business experienced extreme inflation resulting in renegotiation of ongoing contracts. Timber doubled in cost and materials were in short supply, allocation was enforced on many products restricting the ability to accept new orders. Although some cost increases were reversed slightly and shortages eased in quarter four, due to the increased costs in materials, overall gross profit margin noted for the year has seen a decrease from 34.03% to 27.87%. Covid continued to affect the business with some staff absence however the magnitude was far less than the year before.

Our key ongoing KPI's in the year show the following;

Turnover – 12 months to 31 December 2021: £20,278,872 (18 months to 31 December 2020: £24,343,749 - apportioned to 12 months for comparison: £16,229,166)

Admin costs - 12 months to 31 December 2021: £1,165,397 (18 months to 31 December 2020: £1,702,995 apportioned to 12 months for comparison: £1,135,330)

GP% - 31 December 2021: 27.87% (31 December 2020: 34.03%)

Cash balance - 31 December 2021: £4,025,486 (31 December 2020: £2,586,493)

The directors consider that the non financial key performance indicators of the company are as follows;

- Health & safety statistics
- Level of design output
- Level of production output
- Quality of service and delivery to customers

The board is happy with the results indicated by the above KPI's. Strong demand along with an increase in market share for timber frame is helping to maintain profits and cash generation.

Employees

The company takes steps to communicate and consult with employees in order to ensure that as far as possible, employees are engaged, involved and informed about decisions which affect them. Decisions taken by the directors to protect and promote the best interests of the company also inherently protect the interests of its employees.

Community and environment

The company is conscious of both its social and environmental impact, and the directors seek opportunities to limit the environmental footprint of the operations of the company wherever this is practically and commercially feasible.

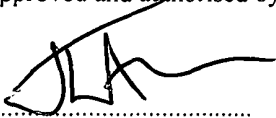
Frame-Tech Structures Limited

Strategic Report for the Year Ended 31 December 2021

Principal risks and uncertainties

The principle uncertainty revolves around the cost and availability of raw materials, the pandemic has led to government stimulus around the world, this in turn has led to the demand of building products and housing being unprecedented which is creating supply shortages which is creating cost inflationary pressure. As we have a diversified supply chain we should be able to weather this.

Approved and authorised by the Board on 7 July 2022 and signed on its behalf by:



.....
Mr J L Atkinson
Company secretary and director

Frame-Tech Structures Limited

Directors' Report for the Year Ended 31 December 2021

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

Director of the company

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

Mr J L Atkinson - Company secretary and director

Mr P O'Brien

Mr P G Lagan

Mr M L Johnston

Mr J P K Lagan

Mr D Lea (appointed 28 May 2021)

Dividends

The directors recommend a final dividend payment of £Nil be made in respect of the financial year ended 31 December 2021 (period ended 31 December 2020: £Nil).

The total distribution of dividends for the year ended 31 December 2021 will be £2,060,729 (period ended 31 December 2020: £6,905,132).

Disclosure requirements

Under Companies Act 2006 the disclosures required in relation to Principal Risks and Uncertainties are shown on the Strategic Report on page 2.

Future developments

The company's success will depend on the pricing and management of the risks it accepts. It will be important to continue to target a diversified portfolio and not be too reliant on certain sectors of the market. The company continues to target a market leading 5 star's in both service and delivery to customers both old and new. The government strategy of increasing new building housing starts remains intact.

Branches outside the United Kingdom

There are no branches outside the United Kingdom.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. The provisions remain in force at the reporting date.

Disclosure of information to the auditors

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


Frame-Tech Structures Limited

Directors' Report for the Year Ended 31 December 2021

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Walker & Sutcliffe as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved and authorised by the Board on 7 July 2022 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'JLA' with a long horizontal flourish extending to the right.

.....
Mr J L Atkinson
Company secretary and director

Frame-Tech Structures Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Frame-Tech Structures Limited

Independent Auditor's Report to the Members of Frame-Tech Structures Limited

Opinion

We have audited the financial statements of Frame-Tech Structures Limited (the 'company') for the year ended 31 December 2021, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 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 responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 original financial statements were authorised for issue.

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

Other information

The 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.

Frame-Tech Structures Limited

Independent Auditor's Report to the Members of Frame-Tech Structures Limited

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the 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, 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 Statement of Directors' Responsibilities [set out on page 6], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Frame-Tech Structures Limited

Independent Auditor's Report to the Members of Frame-Tech Structures Limited

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:

Our approach to addressing the risks of material misstatement due to irregularities, including fraud was to assess events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. We assessed the risks of material misstatement in respect of fraud as follows:

- Enquiring with directors
- Reading board minutes
- Considering remuneration incentive schemes and performance targets for directors
- Using analytical procedures to identify any unusual or unexpected relationships

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those related to the following:

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, such as FRS 102 and Companies Act 2006. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulation where the consequences of non-compliance could have a material effect of the amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect:

- Employment legislation
- Structural timber association regulations
- Health and safety regulation
- Data protection laws
- Environmental regulation

As required by auditing standards, and taking into account possible pressures to meet profit targets, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of the company fraud risk management controls.

We also performed procedures including:

- Identifying manual journal entries to test based on risk criteria and comparing the identified entries to supporting documentation
- Evaluating the business purpose of significant unusual transactions
- Assessing significant accounting estimates for bias

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience and through discussion with the directors and other management. We discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We corroborated our enquiries through review of board minutes and review of correspondence with other regulatory bodies.

Frame-Tech Structures Limited

Independent Auditor's Report to the Members of Frame-Tech Structures Limited

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

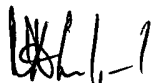
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not detect some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, misrepresentations or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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

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.



.....
Nicholas Ledgard BA FCA (Senior Statutory Auditor)
For and on behalf of Walker & Sutcliffe, Statutory Auditor

12 Greenhead Road
Huddersfield
West Yorkshire
HD1 4EN

7 July 2022

Frame-Tech Structures Limited

Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	3	20,278,872	24,343,749
Cost of sales		<u>(14,627,089)</u>	<u>(16,066,609)</u>
Gross profit		5,651,783	8,277,140
Distribution costs		(588,551)	(792,147)
Administrative expenses		(1,165,397)	(1,702,995)
Other operating income	4	<u>12,322</u>	<u>18,105</u>
Operating profit	5	<u>3,910,157</u>	<u>5,800,103</u>
Other interest receivable and similar income	7	14	6,052
Interest payable and similar expenses	8	<u>(1,157)</u>	<u>-</u>
		<u>(1,143)</u>	<u>6,052</u>
Profit before tax		3,909,014	5,806,155
Tax on profit	12	<u>(750,950)</u>	<u>(1,026,138)</u>
Profit for the financial year		<u><u>3,158,064</u></u>	<u><u>4,780,017</u></u>

The above results were derived from continuing operations.

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

The notes on pages 15 to 27 form an integral part of these financial statements.

Frame-Tech Structures Limited

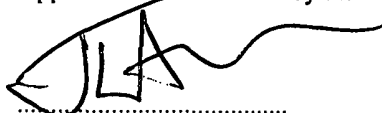
Statement of Comprehensive Income for the Year Ended 31 December 2021

	Note	Year ended 31 December 2021 £	1 July 2019 to 31 December 2020 £
Profit for the year		<u>3,158,064</u>	<u>4,780,017</u>
Total comprehensive income for the year		<u><u>3,158,064</u></u>	<u><u>4,780,017</u></u>

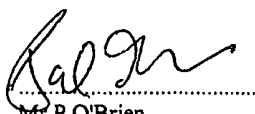
Frame-Tech Structures Limited
(Registration number: 06450934)
Balance Sheet as at 31 December 2021

	Note	31 December 2021 £	31 December 2020 £
Fixed assets			
Tangible assets	13	477,071	597,484
Current assets			
Stocks	14	813,625	447,099
Debtors	15	2,555,419	2,652,653
Cash at bank and in hand		4,025,486	2,586,493
		<u>7,394,530</u>	<u>5,686,245</u>
Creditors: Amounts falling due within one year	17	<u>(3,186,888)</u>	<u>(2,622,827)</u>
Net current assets		<u>4,207,642</u>	<u>3,063,418</u>
Total assets less current liabilities		4,684,713	3,660,902
Provisions for liabilities	18	<u>(21,272)</u>	<u>(94,796)</u>
Net assets		<u>4,663,441</u>	<u>3,566,106</u>
Capital and reserves			
Called up share capital	20	4	4
Profit and loss account		<u>4,663,437</u>	<u>3,566,102</u>
Total equity		<u>4,663,441</u>	<u>3,566,106</u>

Approved and authorised by the Board on 7 July 2022 and signed on its behalf by:



.....
Mr J L Atkinson
Company secretary and director



.....
Mr P O'Brien
Director

The notes on pages 15 to 27 form an integral part of these financial statements.

Frame-Tech Structures Limited

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £	Profit and loss account £	Total £
At 1 January 2021	4	3,566,102	3,566,106
Profit for the year	-	3,158,064	3,158,064
Total comprehensive income	-	3,158,064	3,158,064
Dividends	-	(2,060,729)	(2,060,729)
At 31 December 2021	4	4,663,437	4,663,441
	Share capital £	Profit and loss account £	Total £
At 1 July 2019	4	5,691,217	5,691,221
Profit for the year	-	4,780,017	4,780,017
Total comprehensive income	-	4,780,017	4,780,017
Dividends	-	(6,905,132)	(6,905,132)
At 31 December 2020	4	3,566,102	3,566,106

The notes on pages 15 to 27 form an integral part of these financial statements.

Frame-Tech Structures Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

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

The address of its registered office is:

Lock Way
Ravensthorpe
Dewsbury
West Yorkshire
WF13 3SX
England

These financial statements were authorised for issue by the Board on 7 July 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

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

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS102) and the requirements of Companies Act 2006, including the provision of the large and medium-sized companies regime under the historical cost convention, except that as disclosed in the accounting policies certain items are shown at fair value.

The presentational currency is £ sterling.

Summary of disclosure exemptions

The Company has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure regime within FRS 102:

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' & 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.

F1.11(c(ii)) Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Frame-Tech Structures Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Name of parent of group

These financial statements are consolidated in the financial statements of Lagan Investments Limited.

The financial statements of Lagan Investments Limited may be obtained from Lagan House, 19 Claredon Road, Belfast, Northern Ireland, BT1 3BG.

Lagan Investments Limited, a company incorporated in Northern Ireland, is the parent of the group in which consolidated financial statements have been prepared. The ultimate parent company is Collinbridge Investments Ltd, a company incorporated in Isle of Man.

The immediate parent company is ARA Holdings (UK) Limited, a company incorporated in England & Wales.

Disclosure of long or short period

The prior reporting period was presented for a period longer than 12 months, so that the accounting year aligned with its ultimate parent company. As a result of this, the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Frame-Tech Structures Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Government grants

Government grants, including non-monetary grants are not recognised until there is reasonable assurance that:
The company will comply with the conditions attaching to them; and
The grants will be received.

The company recognises grants either based on the performance model or the accrual model. This policy choice is applied on a class-by-class basis.

The company measures grants at the fair value of the asset received or receivable.

Where a grant becomes repayable it is recognised as a liability when the repayment meets the definition of a liability.

Performance model

The performance model recognises grants as follows:

A grant that does not impose specified future performance-related conditions on the company is recognised in income when the grant proceeds are received or receivable.

A grant that imposes specified future performance-related conditions on the company is recognised in income only when the performance-related conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Accrual model

The accrual model classifies grants either as a grant relating to revenue or a grant relating to assets.

Grants relating to revenue are recognised in income on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate.

A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs is recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred it is recognised as deferred income and not deducted from the carrying amount of the asset.

Tax

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

The current 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 taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Frame-Tech Structures Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

Any gains or losses on disposals arising in the year are taken to the Income Statement.

Depreciation

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

Asset class	Depreciation method and rate
Land and buildings	2% and 10% on cost
Plant and machinery	25% on reducing balance
Fixtures and fittings	25% on reducing balance
Office equipment	33% on cost

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Financial Assets - Trade, group and other debtors

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

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Frame-Tech Structures Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Financial Liabilities - Trade, group and other creditors

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

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Leases

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

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

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

Employee benefits - Defined contribution pension obligation

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

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

Frame-Tech Structures Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	Year ended 31 December 2021	1 July 2019 to 31 December 2020
	£	£
Sale of goods	<u>20,278,872</u>	<u>24,343,749</u>

4 Other operating income

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

	Year ended 31 December 2021	1 July 2019 to 31 December 2020
	£	£
Miscellaneous other operating income	<u>12,322</u>	<u>18,105</u>

5 Operating profit

Arrived at after charging/(crediting)

	Year ended 31 December 2021	1 July 2019 to 31 December 2020
	£	£
Depreciation expense	157,483	170,612
Operating lease expense	78,283	100,522
Loss on disposal of property, plant and equipment	<u>4,003</u>	<u>3,905</u>

6 Government grants

The grants received in the financial period relate to the Coronavirus Job Retention Scheme (CJRS) which was introduced by the government in order to support businesses who were effected by the COVID-19 national restrictions put in place.

The amount of grants recognised in the financial statements was £Nil (2020 - £128,824).

7 Other interest receivable and similar income

	Year ended 31 December 2021	1 July 2019 to 31 December 2020
	£	£
Interest income on bank deposits	14	5,405
Other finance income	<u>-</u>	<u>647</u>
	<u>14</u>	<u>6,052</u>

Frame-Tech Structures Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

8 Interest payable and similar expenses

	Year ended 31 December 2021	1 July 2019 to 31 December 2020
	£	£
Interest expense on other finance liabilities	<u>1,157</u>	<u>-</u>

9 Staff costs

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

	Year ended 31 December 2021	1 July 2019 to 31 December 2020
	£	£
Wages and salaries	2,595,044	3,127,923
Pension costs, defined contribution scheme	<u>58,753</u>	<u>90,425</u>
	<u>2,653,797</u>	<u>3,218,348</u>

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

	2021 No.	2020 No.
Administration and support	<u>75</u>	<u>65</u>

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	Year ended 31 December 2021	1 July 2019 to 31 December 2020
	£	£
Remuneration	254,920	469,416
Contributions paid to money purchase schemes	<u>11,360</u>	<u>40,391</u>
	<u>266,280</u>	<u>509,807</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	Year ended 31 December 2021 No.	1 July 2019 to 31 December 2020 No.
Exercised share options	-	1
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>2</u>

Frame-Tech Structures Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

11 Auditors' remuneration

	Year ended 31 December 2021 £	1 July 2019 to 31 December 2020 £
Audit of the financial statements	<u>6,251</u>	<u>5,255</u>
Other fees to auditors		
All other assurance services	<u>11,558</u>	<u>11,558</u>

12 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
Current taxation		
UK corporation tax	750,360	955,407
UK corporation tax adjustment to prior periods	<u>74,114</u>	<u>-</u>
	824,474	955,407
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(73,524)</u>	<u>70,731</u>
Tax expense in the income statement	<u>750,950</u>	<u>1,026,138</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2020 - the same as the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	<u>3,909,014</u>	<u>5,806,155</u>
Corporation tax at standard rate	742,713	1,103,169
Effect of expense not deductible in determining taxable profit (tax loss)	18,014	42,756
Tax decrease from effect of capital allowances and depreciation	(9,777)	(34,380)
Tax decrease from effect of exercise of employee share options	<u>-</u>	<u>(85,407)</u>
Total tax charge	<u>750,950</u>	<u>1,026,138</u>

Frame-Tech Structures Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Deferred tax

Deferred tax assets and liabilities

	Liability £
2021	
Provision brought forward	94,796
Movement during the year	(73,524)
	<u>21,272</u>
2020	
Provision brought forward	24,065
Movement during the year	70,731
	<u>94,796</u>

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

Frame-Tech Structures Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

13 Tangible assets

	Land and buildings £	Fixtures and fittings £	Plant and machinery £	Office equipment £
Cost or valuation				
At 1 January 2021	5,485	17,861	1,167,680	28,054
Additions	-	-	21,133	19,944
Disposals	-	-	(5,590)	-
At 31 December 2021	<u>5,485</u>	<u>17,861</u>	<u>1,183,223</u>	<u>47,998</u>
Depreciation				
At 1 January 2021	1,097	2,233	602,938	17,596
Charge for the year	549	3,907	144,987	8,042
Eliminated on disposal	-	-	(3,853)	-
At 31 December 2021	<u>1,646</u>	<u>6,140</u>	<u>744,072</u>	<u>25,638</u>
Carrying amount				
At 31 December 2021	<u>3,839</u>	<u>11,721</u>	<u>439,151</u>	<u>22,360</u>
At 31 December 2020	<u>4,388</u>	<u>15,628</u>	<u>564,742</u>	<u>12,726</u>
				Total £
Cost or valuation				
At 1 January 2021				1,219,080
Additions				41,077
Disposals				(5,590)
At 31 December 2021				<u>1,254,567</u>
Depreciation				
At 1 January 2021				623,864
Charge for the year				157,485
Eliminated on disposal				(3,853)
At 31 December 2021				<u>777,496</u>
Carrying amount				
At 31 December 2021				<u>477,071</u>
At 31 December 2020				<u>597,484</u>

Included within the net book value of land and buildings above is £3,840 (2020 - £4,388) in respect of freehold land and buildings.

Frame-Tech Structures Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

14 Stocks

	31 December 2021 £	31 December 2020 £
Work in progress	486,208	134,626
Raw materials	327,417	312,473
	<u>813,625</u>	<u>447,099</u>

15 Debtors

	31 December 2021 £	31 December 2020 £
Trade debtors	2,284,762	2,428,405
Other debtors	178,229	156,414
Prepayments	92,428	67,834
Total current trade and other debtors	<u>2,555,419</u>	<u>2,652,653</u>

16 Cash and cash equivalents

	31 December 2021 £	31 December 2020 £
Cash at bank	<u>4,025,486</u>	<u>2,586,493</u>

17 Creditors

	Note	31 December 2021 £	31 December 2020 £
Due within one year			
Trade creditors		1,758,729	1,831,489
Amounts due to related parties	24	483,795	188,496
Social security and other taxes		96,484	92,382
Other payables		7,228	3,271
Accrued expenses		200,751	141,596
Income tax liability	12	471,039	295,408
Gross amount due to customers for contract work		<u>168,862</u>	<u>70,185</u>
		<u>3,186,888</u>	<u>2,622,827</u>

Frame-Tech Structures Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

18 Provisions for liabilities

	Deferred tax £	Total £
At 1 January 2021	94,796	94,796
Increase (decrease) in existing provisions	(103,460)	(103,460)
Increase (decrease) due to change in tax rate	<u>29,936</u>	<u>29,936</u>
At 31 December 2021	<u>21,272</u>	<u>21,272</u>

19 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £58,753 (2020 - £90,425).

20 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary of £1 each	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

Rights, preferences and restrictions

Ordinary have the following rights, preferences and restrictions:

Full rights to receive notice of, attend and vote at general meetings. One share carries one vote, and full rights to dividends and capital distributions (including upon winding up). No restrictions attached to this class of share.

21 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	202,133	205,843
Later than one year and not later than five years	479,208	597,341
Later than five years	<u>175,000</u>	<u>259,000</u>
	<u>856,341</u>	<u>1,062,184</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £205,843 (2020 - £305,320).

Frame-Tech Structures Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

22 Dividends

	2021 £	2020 £
Interim dividend of £515,182 (2020 - £1,726,283) per ordinary share	<u>2,060,729</u>	<u>6,905,132</u>

23 Parent and ultimate parent undertaking

The company's immediate parent is ARA Holdings (UK) Limited, incorporated in England & Wales.

The ultimate parent is Collinbridge Trust, incorporated in England & Wales.

The most senior parent entity producing publicly available financial statements is Lagan Investments Holdings Ltd. These financial statements are available upon request from Lagan House, 19 Clarendon Road, Belfast, Northern Ireland, BT1 3BG.

The ultimate controlling party is the board of Trustees of Collinbridge Trust.

24 Related party transactions

Summary of transactions with other related parties

LF Fasthouse Ltd

(a company which has common influence)

During the year Frame-Tech Structures Limited purchased goods from LF Fasthouse Ltd totalling £659,694. As at the balance sheet date the amount owed to LF Fasthouse Ltd was £295,299.

Lagan Management Limited

(a company which has common influence)

During the year Frame-Tech Structures Limited purchased goods from Lagan Management Limited totalling £20,997. As at the balance sheet date the amount owed to Lagan Management Limited was £nil.

F1.11(c(ii)) Section 33 'Related Party Disclosures' - The company has taken advantage of the exemptions available to it to not disclose transactions entered into between wholly owned group companies.