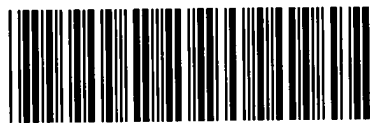


Company Registration No. 10272344 (England and Wales)

**FRIARS 716 LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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# FRIARS 716 LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr JAF Walker Mr DJ Pett Mr C Stott Mr M Bell
<b>Company number</b>	10272344
<b>Registered office</b>	Bedford House 1 Regal Lane Soham Ely Cambs CB7 5BA
<b>Auditor</b>	Taylor Viney & Marlow 46-54 High Street Ingatestone Essex CM4 9DW

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# **FRIARS 716 LIMITED**

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# FRIARS 716 LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 JUNE 2019**

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

### Principal activities

The principal activities of the Group and its subsidiaries are the manufacture of non-metallic cladding systems for the oil, gas & petrochemical sectors and the design, manufacture and installation of rainwater management systems for the construction industry.

### Results, dividends and future developments

Total Group sales for the year amounted to £10,407,000 (2018: £12,053,000). The pre tax profit for the year amounted to £1,343,000 (2018: £1,176,000).

The profit after tax of £1,372,000 (2018: £1,034,000) has been transferred to reserves.

The Group is focused on business units that generate both profit and cash with opportunities for further development. At the same time our manufacturing competence backed by extensive R&D is improving as a result of an appropriate capital expenditure programme designed to improve operating efficiencies and maintain the highest possible product quality standards fully certified and accredited for application on a global basis.

### Principal risks and uncertainties

#### i) General sustainable growth in operating profit

The Directors aim to achieve steady sustainable growth in operating profit. Strong cash management is fundamental to delivering sustainable profit growth and the consistent delivery of cash-backed profit remains a key performance indicator for the Group. In 2019 the Group generated a net cash inflow from operation of £600,000 (2018: £698,000).

#### ii) Ability to win market share

The group's ability to win market share is dependent on its responsiveness to changes in customer requirements and demands. Management's ability to increase prices depends in part on how the Group's competitors respond to changing market conditions. Group revenues remain a key performance indicator and in 2019 the Group generated revenues of £10,407,000 (2018: £12,053,000). As a project led business the timing of invoiced sales is wholly dependent on customer scheduling and any delay remains outside the Group's control.

#### iii) Ensure the safety of our people

The health and safety of our people and everyone who works with us or is affected by our operations is paramount. We have the objective of eliminating reportable accidents which require the constant vigilance and commitment of everyone in the Group to ensure that safe working practices are consistently adopted and supported by rigorous reviews, audits and training. In 2019 we had no reportable health and safety incidents.

### Key Performance Indicators

Expansion of turnover in each project led business on an international basis. This has resulted in sales of £10,407,000 (2018: £12,053,000).

Incremental increases in operating profits derived through improved sales focus and potential volume gains. Operating profits are £1,541,000 (2018 £1,378,000).

On behalf of the board



Mr D. Pett

Director

21 February 2020

# **FRIARS 716 LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 JUNE 2019**

---

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

### **Principal activities**

The principal activity of the company and group was the manufacture of non-metallic cladding systems for the oil, gas & petrochemical sectors and the design, manufacture and installation of rainwater management systems for the construction industry.

### **Directors**

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

Mr JAF Walker  
Mr DJ Pett  
Mr C Stott  
Mr M Bell

### **Results and dividends**

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

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

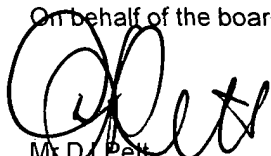
### **Auditor**

The auditor, Taylor Viney & Marlow, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Mr DJ Pett  
Director

21 February 2020

# **FRIARS 716 LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 JUNE 2019***

---

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

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

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

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

# FRIARS 716 LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF FRIARS 716 LIMITED

---

#### Opinion

We have audited the financial statements of Friars 716 Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2019 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

# **FRIARS 716 LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF FRIARS 716 LIMITED**

---

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

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

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

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

#### **Responsibilities of directors**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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



# **FRIARS 716 LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF FRIARS 716 LIMITED**

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### **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.

S. McCallum

**Stuart McCallum (Senior Statutory Auditor)**  
**for and on behalf of Taylor Viney & Marlow**

21 February 2020

**Chartered Accountants**  
**Statutory Auditor**

46-54 High Street  
Ingatestone  
Essex  
CM4 9DW

# FRIARS 716 LIMITED

## GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 £	2018 £
Turnover	3	10,407,341	12,053,000
Cost of sales		(5,047,145)	(5,853,000)
<b>Gross profit</b>		<b>5,360,196</b>	<b>6,200,000</b>
Administrative expenses		(3,888,202)	(4,879,000)
Other operating income		69,458	57,000
<b>Operating profit</b>	<b>4</b>	<b>1,541,452</b>	<b>1,378,000</b>
Interest receivable and similar income	7	645	-
Interest payable and similar expenses	8	(199,418)	(202,000)
<b>Profit before taxation</b>		<b>1,342,679</b>	<b>1,176,000</b>
Tax on profit	9	29,759	(142,000)
<b>Profit for the financial year</b>		<b>1,372,438</b>	<b>1,034,000</b>

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

# FRIARS 716 LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

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	2019 £	2018 £
Profit for the year	1,372,438	1,034,000
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,372,438</u>	<u>1,034,000</u>

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

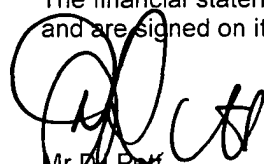
# FRIARS 716 LIMITED

## GROUP BALANCE SHEET

AS AT 30 JUNE 2019

	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Goodwill	10	675,000	703,000
Other intangible assets	10	6,670,184	6,912,000
Total intangible assets		7,345,184	7,615,000
Tangible assets	11	6,107,570	7,255,000
		13,452,754	14,870,000
<b>Current assets</b>			
Stocks	15	1,180,204	1,060,000
Debtors	16	3,707,647	2,071,000
Cash at bank and in hand		781,299	794,000
		5,669,150	3,925,000
<b>Creditors: amounts falling due within one year</b>	17	(3,282,987)	(3,284,000)
<b>Net current assets</b>		2,386,163	641,000
<b>Total assets less current liabilities</b>		15,838,917	15,511,000
<b>Creditors: amounts falling due after more than one year</b>	18	(5,365,562)	(5,839,000)
<b>Provisions for liabilities</b>	21	(1,540,568)	(1,585,000)
<b>Net assets</b>		8,932,787	8,087,000
<b>Capital and reserves</b>			
Called up share capital	23	5,590,000	5,590,000
Profit and loss reserves		3,342,787	2,497,000
<b>Total equity</b>		8,932,787	8,087,000

The financial statements were approved by the board of directors and authorised for issue on 21 February 2020 and are signed on its behalf by:

  
Mr Du Pett  
Director

# FRIARS 716 LIMITED

## COMPANY BALANCE SHEET

AS AT 30 JUNE 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Investments	12		18,294,751		18,294,751
<b>Current assets</b>					
Cash at bank and in hand		217		1,139	
<b>Creditors: amounts falling due within one year</b>	17	(4,972,252)		(7,273,191)	
<b>Net current liabilities</b>			(4,972,035)		(7,272,052)
<b>Total assets less current liabilities</b>			13,322,716		11,022,699
<b>Creditors: amounts falling due after more than one year</b>	18		(2,600,000)		(2,350,000)
<b>Net assets</b>			10,722,716		8,672,699
<b>Capital and reserves</b>					
Called up share capital	23		5,590,346		5,590,346
Profit and loss reserves			5,132,370		3,082,353
<b>Total equity</b>			10,722,716		8,672,699

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,050,017 (2018 - £2,057,866 profit).

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

The financial statements were approved by the board of directors and authorised for issue on 21 February 2020 and are signed on its behalf by:



Mr D. J. Pett  
Director

Company Registration No. 10272344

# FRIARS 716 LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 July 2017	5,590,000	1,463,000	7,053,000
Year ended 30 June 2018:			
Profit and total comprehensive income for the year	-	1,034,000	1,034,000
Balance at 30 June 2018	5,590,000	2,497,000	8,087,000
Year ended 30 June 2019:			
Profit and total comprehensive income for the year	-	1,372,438	1,372,438
Transfers	-	(526,651)	(526,651)
Balance at 30 June 2019	5,590,000	3,342,787	8,932,787

# FRIARS 716 LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 July 2017	5,590,346	1,024,487	6,614,833
Year ended 30 June 2018:			
Profit and total comprehensive income for the year	-	2,057,866	2,057,866
Balance at 30 June 2018	5,590,346	3,082,353	8,672,699
Year ended 30 June 2019:			
Profit and total comprehensive income for the year	-	2,050,017	2,050,017
Balance at 30 June 2019	5,590,346	5,132,370	10,722,716

# FRIARS 716 LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26	599,805		698,000	
Interest paid		(199,418)		(202,000)	
Income taxes paid		(919,108)		(353,000)	
<b>Net cash (outflow)/inflow from operating activities</b>		(518,721)		143,000	
<b>Investing activities</b>					
Purchase of intangible assets		(12,663)		(11,000)	
Purchase of tangible fixed assets		(365,714)		(341,000)	
Proceeds on disposal of tangible fixed assets		1,419,246		-	
Interest received		645		-	
<b>Net cash generated from/(used in) investing activities</b>		1,041,514		(352,000)	
<b>Financing activities</b>					
Repayment of bank loans		(611,000)		2,197,000	
Payment of finance leases obligations		75,506		(147,000)	
<b>Net cash (used in)/generated from financing activities</b>		(535,494)		2,050,000	
<b>Net (decrease)/increase in cash and cash equivalents</b>		(12,701)		1,841,000	
Cash and cash equivalents at beginning of year		794,000		(1,047,000)	
<b>Cash and cash equivalents at end of year</b>		781,299		794,000	



# FRIARS 716 LIMITED

## COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	27		(130,849)		38,838
Interest paid			(120,294)		(96,032)
Income taxes refunded/(paid)			221		-
<b>Net cash outflow from operating activities</b>			(250,922)		(57,194)
<b>Investing activities</b>					
Interest received		-		1,348	
<b>Net cash (used in)/generated from investing activities</b>			-		1,348
<b>Financing activities</b>					
Repayment of bank loans		250,000		50,000	
<b>Net cash generated from financing activities</b>			250,000		50,000
<b>Net decrease in cash and cash equivalents</b>			(922)		(5,846)
Cash and cash equivalents at beginning of year			1,139		6,985
<b>Cash and cash equivalents at end of year</b>			217		1,139

# FRIARS 716 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

---

### 1 Accounting policies

#### Company information

Friars 716 Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Bedford House, 1 Regal Lane, Soham, Ely, Cambs, CB7 5BA.

The group consists of Friars 716 Limited and all of its subsidiaries.

#### 1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Basis of consolidation

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

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

The consolidated financial statements incorporate those of Friars 716 Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

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

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

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

# FRIARS 716 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 1 Accounting policies

(Continued)

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

Goodwill created upon incorporation of the group is not amortised.

#### 1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents & licences	5-10 years straight line
--------------------	--------------------------

#### 1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Leasehold improvements	Not depreciated
Plant and equipment	2-33% straight line
Fixtures and fittings	10-20% straight line
Computers	10-33% straight line
Motor vehicles	33% reducing balance

# FRIARS 716 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

---

### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.9 Fixed asset investments

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

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

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

#### 1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

#### 1.11 Stocks

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

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

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

#### 1.12 Cash and cash equivalents

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

# FRIARS 716 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

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### 1 Accounting policies

(Continued)

#### 1.13 Financial instruments

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

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

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

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

##### **Other financial assets**

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

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

# FRIARS 716 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

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

#### **1.14 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### **1.15 Taxation**

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

##### **Current tax**

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

##### **Deferred tax**

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

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

# **FRIARS 716 LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 30 JUNE 2019**

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### **1 Accounting policies**

**(Continued)**

#### **1.16 Employee benefits**

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

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

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

#### **1.17 Retirement benefits**

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

#### **1.18 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### **1.19 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### **2 Judgements and key sources of estimation uncertainty**

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# FRIARS 716 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

### 3 Turnover and other revenue

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Sale of Goods	5,358,983	8,170,000
Construction Contracts	5,048,358	3,883,000
	<u>10,407,341</u>	<u>12,053,000</u>

	2019 £	2018 £
<b>Other significant revenue</b>		
Interest income	645	-
	<u>645</u>	<u>-</u>

	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	6,292,369	6,997,000
Europe	1,453,500	122,000
Rest of the World	2,661,472	4,934,000
	<u>10,407,341</u>	<u>12,053,000</u>

### 4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(34,964)	1,260
Research and development costs	86,245	329,925
Depreciation of owned tangible fixed assets	315,468	383,000
Profit on disposal of tangible fixed assets	(748,222)	-
Amortisation of intangible assets	282,479	240,000
Cost of stocks recognised as an expense	3,672,767	5,853,000
Operating lease charges	270,628	1,318,000
	<u>270,628</u>	<u>1,318,000</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £34,964 (2018 - £1,260).



# FRIARS 716 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	-	-
Audit of the financial statements of the company's subsidiaries	58,000	60,000
	<u>58,000</u>	<u>60,000</u>

### 6 Employees

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

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Production staff	40	39	-	-
Administration staff	26	25	-	-
	<u>66</u>	<u>64</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	2,808,552	2,806,000	-	-
Social security costs	70,742	51,000	-	-
Pension costs	83,148	81,000	-	-
	<u>2,962,442</u>	<u>2,938,000</u>	<u>-</u>	<u>-</u>

### 7 Interest receivable and similar income

	2019 £	2018 £
<b>Interest income</b>		
Interest on bank deposits	645	-
	<u>645</u>	<u>-</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	645	-
	<u>645</u>	<u>-</u>

# FRIARS 716 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

### 8 Interest payable and similar expenses

	2019 £	2018 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	136,959	144,000
Other interest on financial liabilities	39,328	31,000
	<u>176,287</u>	<u>175,000</u>
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	21,588	27,000
Other interest	1,543	-
	<u>199,418</u>	<u>202,000</u>

### 9 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	120,780	98,000
Adjustments in respect of prior periods	(177,374)	-
	<u>(56,594)</u>	<u>98,000</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	26,835	44,000
	<u>26,835</u>	<u>44,000</u>
<b>Total tax (credit)/charge</b>	<u>(29,759)</u>	<u>142,000</u>

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

	2019 £	2018 £
Profit before taxation	<u>1,342,679</u>	<u>1,176,000</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	255,109	223,440
Tax effect of expenses that are not deductible in determining taxable profit	20,257	-
Unutilised tax losses carried forward	(134,541)	-
Adjustments in respect of prior years	(177,374)	(37,440)
Group relief	52	-
Permanent capital allowances in excess of depreciation	(20,857)	-
Deferred tax adjustments in respect of prior years	27,595	(44,000)
	<u>(29,759)</u>	<u>142,000</u>
<b>Taxation (credit)/charge</b>	<u>(29,759)</u>	<u>142,000</u>

# FRIARS 716 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

#### 10 Intangible fixed assets

Group	Goodwill	Patents & licences	Total
	£	£	£
<b>Cost</b>			
At 1 July 2018	2,183,000	9,565,000	11,748,000
Additions - internally developed	-	12,663	12,663
At 30 June 2019	2,183,000	9,577,663	11,760,663
<b>Amortisation and impairment</b>			
At 1 July 2018	1,480,000	2,653,000	4,133,000
Amortisation charged for the year	28,000	254,479	282,479
At 30 June 2019	1,508,000	2,907,479	4,415,479
<b>Carrying amount</b>			
At 30 June 2019	675,000	6,670,184	7,345,184
At 30 June 2018	703,000	6,912,000	7,615,000

The company had no intangible fixed assets at 30 June 2019 or 30 June 2018.

## FRIARS 716 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

#### 11 Tangible fixed assets

Group	Freehold land and buildings £	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost</b>							
At 1 July 2018	4,028,000	-	3,650,000	160,000	39,000	119,000	7,996,000
Additions	-	23,784	233,195	4,608	9,588	94,539	365,714
Disposals	(1,107,953)	-	(387,311)	-	-	-	(1,495,264)
At 30 June 2019	2,920,047	23,784	3,495,884	164,608	48,588	213,539	6,866,450
<b>Depreciation and impairment</b>							
At 1 July 2018	68,000	-	545,000	85,000	10,000	33,000	741,000
Depreciation charged in the year	17,196	1,044	237,727	16,392	13,654	29,455	315,468
Eliminated in respect of disposals	(34,257)	-	(263,331)	-	-	-	(297,588)
At 30 June 2019	50,939	1,044	519,396	101,392	23,654	62,455	758,880
<b>Carrying amount</b>							
At 30 June 2019	2,869,108	22,740	2,976,488	63,216	24,934	151,084	6,107,570
At 30 June 2018	3,960,000	-	3,105,000	75,000	29,000	86,000	7,255,000

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

# FRIARS 716 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

### 12 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	13	-	-	18,294,751	18,294,751

#### Movements in fixed asset investments Company

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 July 2018 and 30 June 2019	18,294,751
<b>Carrying amount</b>	
At 30 June 2019	18,294,751
At 30 June 2018	18,294,751

## FRIARS 716 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

#### 13 Subsidiaries

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

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
SWP Group	England & Wales	Ordinary	100.00	
ULVA Insulation Systems	England & Wales	Ordinary		100.00
Fullflow Group	England & Wales	Ordinary		100.00
Fullflow International	England & Wales	Ordinary		100.00
Plasflow	England & Wales	Ordinary		100.00
SWP Property Holdings	England & Wales	Ordinary		100.00
Ulva GRP	England & Wales	Ordinary		100.00
Ulva LLC	USA	Ordinary		100.00
Bravedrive	England & Wales	Ordinary		100.00
Crescent Stairs	England & Wales	Ordinary		100.00
DRC Polymer Products	England & Wales	Ordinary		100.00
Bluevane	England & Wales	Ordinary		100.00
Fullflow Holdings	England & Wales	Ordinary		100.00
Fullflow Systems	England & Wales	Ordinary		100.00
Hylam	England & Wales	Ordinary		100.00
Ulva International	England & Wales	Ordinary		100.00
DRC Holdings	England & Wales	Ordinary		100.00

# FRIARS 716 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 14 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	3,301,266	1,888,000	-	-
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	7,910,658	7,702,000	7,529,668	9,589,680

### 15 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Raw materials and consumables	503,359	287,000	-	-
Work in progress	44,580	660,000	-	-
Finished goods and goods for resale	632,265	113,000	-	-
	1,180,204	1,060,000	-	-

### 16 Debtors

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Amounts falling due within one year:</b>				
Trade debtors	2,434,764	997,000	-	-
Other debtors	701,555	640,000	-	-
Prepayments and accrued income	313,312	154,000	-	-
	3,449,631	1,791,000	-	-
Deferred tax asset (note 21)	28,733	29,000	-	-
	3,478,364	1,820,000	-	-
<b>Amounts falling due after more than one year:</b>				
Trade debtors	229,283	251,000	-	-
<b>Total debtors</b>	<b>3,707,647</b>	<b>2,071,000</b>	<b>-</b>	<b>-</b>

# FRIARS 716 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

#### 17 Creditors: amounts falling due within one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	19	140,000	140,000	-	-
Obligations under finance leases	20	223,944	286,000	-	-
Trade creditors		1,131,371	657,000	-	-
Amounts owed to group undertakings		-	-	3,854,069	6,175,569
Corporation tax payable		272,298	1,177,000	25,615	13,662
Other taxation and social security		465,593	244,000	16,969	19,849
Other creditors		495,272	307,000	1,000,000	1,000,000
Accruals and deferred income		554,509	473,000	75,599	64,111
		<u>3,282,987</u>	<u>3,284,000</u>	<u>4,972,252</u>	<u>7,273,191</u>

A cross guarantee across the group and all entities of Friars 716 Limited exists. The bank also has first legal charge over certain properties held within the group.

#### 18 Creditors: amounts falling due after more than one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	19	4,189,000	4,800,000	2,600,000	2,350,000
Obligations under finance leases	20	176,562	39,000	-	-
Other creditors		1,000,000	1,000,000	-	-
		<u>5,365,562</u>	<u>5,839,000</u>	<u>2,600,000</u>	<u>2,350,000</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>1,029,000</u>	<u>1,169,000</u>	<u>-</u>	<u>-</u>
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# FRIARS 716 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

### 19 Loans and overdrafts

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	4,329,000	4,940,000	2,600,000	2,350,000
Payable within one year	140,000	140,000	-	-
Payable after one year	4,189,000	4,800,000	2,600,000	2,350,000

### 20 Finance lease obligations

	Group 2019 £	2018 £	Company 2019 £	2018 £
Future minimum lease payments due under finance leases:				
Within one year	223,944	286,000	-	-
In two to five years	176,562	39,000	-	-
	400,506	325,000	-	-

### 21 Deferred taxation

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

	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Group				
Accelerated capital allowances	1,540,568	1,585,000	28,733	29,000

The company has no deferred tax assets or liabilities.

# FRIARS 716 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

### 21 Deferred taxation

(Continued)

	Group 2019 £	Company 2019 £
<b>Movements in the year:</b>		
Liability at 1 July 2018	1,556,000	-
Credit to profit or loss	(44,165)	-
Liability at 30 June 2019	<u>1,511,835</u>	<u>-</u>

### 22 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>83,148</u>	<u>81,000</u>

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

### 23 Share capital

	Group and company 2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary A shares of 10p each	10	10
9,379 Ordinary B shares of 10p each	938	938
10,000 Ordinary C shares of 10p each	1,000	1,000
	<u>1,948</u>	<u>1,948</u>
<b>Preference share capital</b>		
<b>Issued and fully paid</b>		
Preference shares classified as equity	<u>5,588,399</u>	<u>5,588,399</u>
<b>Total equity share capital</b>	<u>5,590,347</u>	<u>5,590,347</u>

# FRIARS 716 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

### 24 Operating lease commitments

#### Lessee

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

	Group 2019 £	2018 £	Company 2019 £	2018 £
Within one year	55,511	53,293	-	-
Between two and five years	55,542	66,643	-	-
	<u>111,053</u>	<u>119,936</u>	<u>-</u>	<u>-</u>

### 25 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Acquisition of tangible fixed assets	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 26 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	1,372,438	1,034,000
<b>Adjustments for:</b>		
Taxation (credited)/charged	(29,759)	142,000
Finance costs	199,418	202,000
Investment income	(645)	-
Gain on disposal of tangible fixed assets	(748,222)	-
Amortisation and impairment of intangible assets	282,479	240,000
Depreciation and impairment of tangible fixed assets	315,469	383,000
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(120,204)	393,000
(Increase)/decrease in debtors	(1,636,914)	333,000
Increase/(decrease) in creditors	965,745	(2,029,000)
<b>Cash generated from operations</b>	<u>599,805</u>	<u>698,000</u>

# FRIARS 716 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

### 27 Cash (absorbed by)/generated from operations - company

	2019 £	2018 £
Profit for the year after tax	2,050,017	2,057,866
<b>Adjustments for:</b>		
Taxation charged	11,732	13,662
Finance costs	120,294	96,032
Investment income	-	(1,348)
<b>Movements in working capital:</b>		
Decrease in creditors	(2,312,892)	(2,127,374)
<b>Cash (absorbed by)/generated from operations</b>	<b>(130,849)</b>	<b>38,838</b>