

**REGISTERED NUMBER: 04409614 (England and Wales)**

**GROUP STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019  
FOR  
FRANKHAM CONSULTANCY GROUP LIMITED**

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**For The Year Ended 31 March 2019**

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**FRANKHAM CONSULTANCY GROUP LIMITED**

**COMPANY INFORMATION**  
**For The Year Ended 31 March 2019**

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**DIRECTORS:**

S J Frankham  
J C Gardner  
R J Chitty

**SECRETARY:**

J C Gardner

**REGISTERED OFFICE:**

Irene House  
Five Arches Business Park  
Maidstone Road  
Sidcup  
Kent  
DA14 5AE

**REGISTERED NUMBER:**

04409614 (England and Wales)

**AUDITORS:**

Crane & Partners  
Chartered Accountants & Statutory Auditors  
Leonard House  
5 - 7 Newman Road  
Bromley  
Kent  
BR1 1RJ

**GROUP STRATEGIC REPORT  
For The Year Ended 31 March 2019**

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The directors present their strategic report of the company and the group for the year ended 31 March 2019.

**REVIEW OF BUSINESS**

During the current year, the level of turnover has increased by £783,150 to £11,864,911 an increase of 7%.

The group profit for the year before taxation was £404,778 compared to £34,976 in the previous year.

**RESERVES**

Retained reserves of £1,145,532 at the year end indicated an increase of 36% compared with the previous year.

**CASH FLOW AND LIQUIDITY**

Cashflow was in line with expectations, with a net increase in cash of £957,596. The group has maintained its liquidity in line with expectations resulting in the net current assets ratio being 1.08 as at the year end.

**ON BEHALF OF THE BOARD:**

J C Gardner - Secretary

26 September 2019

**REPORT OF THE DIRECTORS**  
**For The Year Ended 31 March 2019**

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The directors present their report with the financial statements of the company and the group for the year ended 31 March 2019.

**DIVIDENDS**

No dividends were paid on the Ordinary £1 shares throughout the year to 31st March 2019.

**DIRECTORS**

The directors during the year under review were:

S J Frankham  
J C Gardner  
R J Chitty

The beneficial interests of the directors holding office on 31 March 2019 in the issued share capital of the company were as follows:

<b>Ordinary £1 shares</b>	No. of shares held
J C Gardner	1,985
R J Chitty	5,000

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**REPORT OF THE DIRECTORS  
For The Year Ended 31 March 2019**

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**AUDITORS**

The auditors, Crane & Partners, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

J C Gardner - Secretary

26 September 2019

# REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FRANKHAM CONSULTANCY GROUP LIMITED

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## Opinion

We have audited the financial statements of Frankham Consultancy Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

## Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's 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 in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or

our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
  - the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.
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# REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FRANKHAM CONSULTANCY GROUP LIMITED

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## **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 Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to

report to you if, in our opinion:

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

## **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

## **Auditors' 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 a Report of the Auditors 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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

## **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 a Report of the Auditors 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.

Raymond McDonagh FCA (Senior Statutory Auditor)  
for and on behalf of Crane & Partners  
Chartered Accountants & Statutory Auditors  
Leonard House  
5 - 7 Newman Road  
Bromley  
Kent  
BR1 1RJ

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26 September 2019

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**CONSOLIDATED INCOME STATEMENT**  
**For The Year Ended 31 March 2019**

	Notes	2019 £	2018 £
<b>TURNOVER</b>		11,864,911	11,081,761
Cost of sales		<u>6,699,139</u>	<u>7,209,554</u>
<b>GROSS PROFIT</b>		5,165,772	3,872,207
Administrative expenses		<u>4,689,094</u>	<u>3,790,888</u>
<b>OPERATING PROFIT</b>	4	476,678	81,319
Interest receivable and similar income		<u>-</u>	<u>63</u>
		476,678	81,382
Interest payable and similar expenses	5	<u>71,900</u>	<u>46,406</u>
<b>PROFIT BEFORE TAXATION</b>		404,778	34,976
Tax on profit	6	<u>32,031</u>	<u>(50,222)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>372,747</u>	<u>85,198</u>
Profit attributable to:			
Owners of the parent		301,642	36,259
Non-controlling interests		<u>71,105</u>	<u>48,939</u>
		<u>372,747</u>	<u>85,198</u>

**CONSOLIDATED OTHER COMPREHENSIVE INCOME**  
**For The Year Ended 31 March 2019**

Notes	2019 £	2018 £
<b>PROFIT FOR THE YEAR</b>	372,747	85,198
<b>OTHER COMPREHENSIVE INCOME</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>372,747</u>	<u>85,198</u>
Total comprehensive income attributable to:		
Owners of the parent	326,642	41,259
Non-controlling interests	<u>46,105</u>	<u>43,939</u>
	<u>372,747</u>	<u>85,198</u>

**CONSOLIDATED BALANCE SHEET**  
**31 March 2019**

	Notes	2019		2018	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	9		469,295		612,875
Tangible assets	10		642,557		702,669
Investments	11		-		-
			<u>1,111,852</u>		<u>1,315,544</u>
<b>CURRENT ASSETS</b>					
Debtors	12	4,390,314		4,913,542	
Cash at bank and in hand		<u>283,059</u>		<u>215</u>	
		<u>4,673,373</u>		<u>4,913,757</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>4,319,418</u>		<u>5,029,655</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>353,955</u>		<u>(115,898)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,465,807		1,199,646
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(5,218)		(24,750)
<b>PROVISIONS FOR LIABILITIES</b>	17		<u>(19,851)</u>		<u>(81,905)</u>
<b>NET ASSETS</b>			<u>1,440,738</u>		<u>1,092,991</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		99,250		99,250
Capital redemption reserve	19		750		750
Retained earnings	19		<u>1,145,532</u>		<u>843,890</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,245,532</u>		<u>943,890</u>
<b>NON-CONTROLLING INTERESTS</b>	20		<u>195,206</u>		<u>149,101</u>
<b>TOTAL EQUITY</b>			<u>1,440,738</u>		<u>1,092,991</u>

The financial statements were approved by the Board of Directors on 26 September 2019 and were signed on its behalf by:

R J Chitty - Director

J C Gardner - Director

**COMPANY BALANCE SHEET**  
**31 March 2019**

	Notes	2019		2018	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	9		261,721		342,269
Tangible assets	10		554,898		614,190
Investments	11		<u>227,326</u>		<u>296,778</u>
			<u>1,043,945</u>		<u>1,253,237</u>
<b>CURRENT ASSETS</b>					
Debtors	12	3,346,292		4,172,431	
Cash at bank and in hand		<u>232,772</u>		<u>202</u>	
		<u>3,579,064</u>		<u>4,172,633</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>3,631,040</u>		<u>4,425,905</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(51,976)</u>		<u>(253,272)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			991,969		999,965
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(5,218)		-
<b>PROVISIONS FOR LIABILITIES</b>	17		<u>(6,710)</u>		<u>(81,905)</u>
<b>NET ASSETS</b>			<u>980,041</u>		<u>918,060</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		99,250		99,250
Capital redemption reserve	19		750		750
Retained earnings	19		<u>880,041</u>		<u>818,060</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>980,041</u>		<u>918,060</u>
Company's profit/(loss) for the financial year			<u>61,981</u>		<u>(181,306)</u>

The financial statements were approved by the Board of Directors on 26 September 2019 and were signed on its behalf by:

R J Chitty - Director

J C Gardner - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For The Year Ended 31 March 2019**

	Called up share capital £	Retained earnings £	Capital redemption reserve £
<b>Balance at 1 April 2017</b>	99,250	891,631	750
<b>Changes in equity</b>			
Dividends	-	(84,000)	-
Total comprehensive income	-	36,259	-
<b>Balance at 31 March 2018</b>	<u>99,250</u>	<u>843,890</u>	<u>750</u>
<b>Changes in equity</b>			
Total comprehensive income	-	301,642	-
<b>Balance at 31 March 2019</b>	<u>99,250</u>	<u>1,145,532</u>	<u>750</u>
	Total £	Non- controlling interests £	Total equity £
<b>Balance at 1 April 2017</b>	991,631	105,162	1,096,793
<b>Changes in equity</b>			
Dividends	(84,000)	-	(84,000)
Total comprehensive income	36,259	43,939	80,198
<b>Balance at 31 March 2018</b>	<u>943,890</u>	<u>149,101</u>	<u>1,092,991</u>
<b>Changes in equity</b>			
Total comprehensive income	301,642	46,105	347,747
<b>Balance at 31 March 2019</b>	<u>1,245,532</u>	<u>195,206</u>	<u>1,440,738</u>

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**For The Year Ended 31 March 2019**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
<b>Balance at 1 April 2017</b>	99,250	1,083,366	750	1,183,366
<b>Changes in equity</b>				
Dividends	-	(84,000)	-	(84,000)
Total comprehensive income	-	(181,306)	-	(181,306)
<b>Balance at 31 March 2018</b>	<u>99,250</u>	<u>818,060</u>	<u>750</u>	<u>918,060</u>
<b>Changes in equity</b>				
Total comprehensive income	-	61,981	-	61,981
<b>Balance at 31 March 2019</b>	<u>99,250</u>	<u>880,041</u>	<u>750</u>	<u>980,041</u>



**CONSOLIDATED CASH FLOW STATEMENT**  
**For The Year Ended 31 March 2019**

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,041,936	389,749
Interest paid		(71,900)	(46,406)
Tax paid		(6,712)	18,155
Net cash from operating activities		<u>963,324</u>	<u>361,498</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(50,480)	(56,404)
Interest received		-	63
Net cash from investing activities		<u>(50,480)</u>	<u>(56,341)</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		50,676	(59,335)
Amount introduced by directors		43,826	-
Amount withdrawn by directors		(24,750)	(46,349)
Equity dividends paid		-	(84,000)
Dividends paid to minority interests		(25,000)	(5,000)
Net cash from financing activities		<u>44,752</u>	<u>(194,684)</u>
<b>Increase in cash and cash equivalents</b>		<u>957,596</u>	<u>110,473</u>
<b>Cash and cash equivalents at beginning of year</b>	2	(1,421,146)	(1,531,619)
<b>Cash and cash equivalents at end of year</b>	2	<u>(463,550)</u>	<u>(1,421,146)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**  
**For The Year Ended 31 March 2019**
**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2019	2018
	£	£
Profit before taxation	404,778	34,976
Depreciation charges	254,173	280,725
Loss on disposal of fixed assets	-	42,288
Finance costs	71,900	46,406
Finance income	-	(63)
	<u>730,851</u>	<u>404,332</u>
Decrease in trade and other debtors	491,630	1,448,874
Decrease in trade and other creditors	(180,545)	(1,463,457)
<b>Cash generated from operations</b>	<u><u>1,041,936</u></u>	<u><u>389,749</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 March 2019**

	31.3.19	1.4.18
	£	£
Cash and cash equivalents	283,059	215
Bank overdrafts	(746,609)	(1,421,361)
	<u><u>(463,550)</u></u>	<u><u>(1,421,146)</u></u>

**Year ended 31 March 2018**

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	215	81
Bank overdrafts	(1,421,361)	(1,531,700)
	<u><u>(1,421,146)</u></u>	<u><u>(1,531,619)</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For The Year Ended 31 March 2019**

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**1. STATUTORY INFORMATION**

Frankham Consultancy Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

**Goodwill**

Acquired goodwill is written off in equal instalments over its estimated useful economic life.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fixtures and fittings	-	33% on reducing balance, 20% on reducing balance, 10% on reducing balance and at variable rates on reducing balance
Motor vehicles	-	25% on reducing balance
Computer equipment	-	33% on reducing balance

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2019**

**2. ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet.

Those held under hire purchase contracts are depreciated over their estimated useful lives. Those

held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period.

The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

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

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

**Revenue recognition**

Amounts recoverable on long term contracts, which are included in debtors as accrued income, are

stated at the net sales value of the work done after provision for contingencies and anticipated future

losses on contracts, less amounts received as progress payments on account.

Excess progress payments are included in creditors as deferred income.

**Going concern**

The financial statements have been prepared on a going concern basis, which is dependant on the

continued support of the ultimate parent undertaking and its directors who have indicated their

willingness to support the company for the foreseeable future. The directors therefore consider it

appropriate to prepare the financial statements on a going concern basis.

**3. EMPLOYEES AND DIRECTORS**

	2019 £	2018 £
Wages and salaries	7,254,493	6,671,560
Other pension costs	<u>125,413</u>	<u>85,044</u>
	<u><u>7,379,906</u></u>	<u><u>6,756,604</u></u>

The average number of employees during the year was as follows:

2019	2018
<u>142</u>	<u>132</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 142 (2018 - 132) .

	2019 £	2018 £
Directors' remuneration	222,078	120,869
Directors' pension contributions to money purchase schemes	<u>26,694</u>	<u>24,642</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2019**

**3. EMPLOYEES AND DIRECTORS - continued**

Information regarding the highest paid director for the year ended 31 March 2019 is as follows:

	2019 £
Emoluments etc	<u>84,912</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	2019 £	2018 £
Hire of plant and machinery	130,938	131,708
Other operating leases	470,978	406,657
Depreciation - owned assets	86,745	101,377
Depreciation - assets on hire purchase contracts	23,847	35,769
Loss on disposal of fixed assets	-	42,288
Goodwill amortisation	143,580	143,579
Auditors' remuneration	19,500	20,612
Auditors' remuneration for non audit work	<u>6,200</u>	<u>3,734</u>

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2019 £	2018 £
Bank interest	18,766	44,182
Other interest paid	53,134	900
Loan	-	1,324
	<u>71,900</u>	<u>46,406</u>

**6. TAXATION**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

	2019 £	2018 £
Current tax:		
UK corporation tax	94,085	-
Group relief credit	-	(27,777)
Total current tax	<u>94,085</u>	<u>(27,777)</u>
Deferred tax	(62,054)	(22,445)
Tax on profit	<u>32,031</u>	<u>(50,222)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2019**

**6. TAXATION - continued**

**Reconciliation of total tax charge/(credit) included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £	2018 £
Profit before tax	<u>404,778</u>	<u>34,976</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	76,908	6,645
Effects of:		
Expenses not deductible for tax purposes	3,530	8,325
Depreciation in excess of capital allowances	20,463	22,984
Loss on disposal of assets	-	490
Amortisation of goodwill	11,976	11,976
Losses brought forward	(18,792)	(50,420)
Deferred tax	(62,054)	(22,445)
Group relief credit	-	(27,777)
credit		
Total tax charge/(credit)	<u>32,031</u>	<u>(50,222)</u>

**7. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**8. DIVIDENDS**

	2019 £	2018 £
Ordinary shares of £1 each		
Interim	<u>-</u>	<u>84,000</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2019**

**9. INTANGIBLE FIXED ASSETS**

**Group**

Goodwill  
£

**COST**

At 1 April 2018  
and 31 March 2019

2,984,538

**AMORTISATION**

At 1 April 2018  
Amortisation for year  
At 31 March 2019

2,371,663

143,580

2,515,243

**NET BOOK VALUE**

At 31 March 2019  
At 31 March 2018

469,295

612,875

**Company**

Goodwill  
£

**COST**

At 1 April 2018  
and 31 March 2019

1,720,950

**AMORTISATION**

At 1 April 2018  
Amortisation for year  
At 31 March 2019

1,378,681

80,548

1,459,229

**NET BOOK VALUE**

At 31 March 2019  
At 31 March 2018

261,721

342,269

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2019**

**10. TANGIBLE FIXED ASSETS**

**Group**

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 April 2018	2,281,022	11,618	17,749	2,310,389
Additions	<u>50,480</u>	-	-	<u>50,480</u>
At 31 March 2019	<u>2,331,502</u>	<u>11,618</u>	<u>17,749</u>	<u>2,360,869</u>
<b>DEPRECIATION</b>				
At 1 April 2018	1,594,962	11,618	1,140	1,607,720
Charge for year	<u>110,592</u>	-	-	<u>110,592</u>
At 31 March 2019	<u>1,705,554</u>	<u>11,618</u>	<u>1,140</u>	<u>1,718,312</u>
<b>NET BOOK VALUE</b>				
At 31 March 2019	<u>625,948</u>	-	<u>16,609</u>	<u>642,557</u>
At 31 March 2018	<u>686,060</u>	-	<u>16,609</u>	<u>702,669</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Fixtures and fittings £
<b>COST</b>	
At 1 April 2018 and 31 March 2019	<u>222,686</u>
<b>DEPRECIATION</b>	
At 1 April 2018	151,137
Charge for year	<u>23,847</u>
At 31 March 2019	<u>174,984</u>
<b>NET BOOK VALUE</b>	
At 31 March 2019	<u>47,702</u>
At 31 March 2018	<u>71,549</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2019**

**10. TANGIBLE FIXED ASSETS - continued**

**Company**

Fixtures  
and  
fittings  
£

**COST**

At 1 April 2018	2,177,989
Additions	50,480
At 31 March 2019	<u>2,228,469</u>

**DEPRECIATION**

At 1 April 2018	1,563,799
Charge for year	109,772
At 31 March 2019	<u>1,673,571</u>

**NET BOOK VALUE**

At 31 March 2019	<u>554,898</u>
At 31 March 2018	<u>614,190</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

Fixtures  
and  
fittings  
£

**COST**

At 1 April 2018 and 31 March 2019	<u>222,686</u>
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**DEPRECIATION**

At 1 April 2018	151,137
Charge for year	23,847
At 31 March 2019	<u>174,984</u>

**NET BOOK VALUE**

At 31 March 2019	<u>47,702</u>
At 31 March 2018	<u>71,549</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2019**

**11. FIXED ASSET INVESTMENTS****Company**

	Shares in group undertakings £
<b>COST</b>	
At 1 April 2018 and 31 March 2019	<u>1,390,648</u>
<b>PROVISIONS</b>	
At 1 April 2018	1,093,870
Provision for year At 31 March 2019	<u>69,452</u>
	<u>1,163,322</u>
<b>NET BOOK VALUE</b>	
At 31 March 2019	<u>227,326</u>
At 31 March 2018	<u>296,778</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries****AJP Frankham Limited**

Registered office: Irene House, 7b five Arches Business Park, Maidstone Road, Sidcup DA14 5AE

Nature of business: Dormant

	%		
Class of shares:	holding	2019	2018
Ordinary	100.00	£	£
Aggregate capital and reserves		<u>1,000</u>	<u>1,000</u>

**Brandhurst Limited**

Registered office: Irene House, 7b five Arches Business Park, Maidstone Road, Sidcup DA14 5AE

Nature of business: Dormant

	%		
Class of shares:	holding	2019	2018
Ordinary	100.00	£	£
Aggregate capital and reserves		<u>25,000</u>	<u>25,000</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2019**

**11. FIXED ASSET INVESTMENTS - continued**

**Nexus Frankham Limited**

Registered office: Irene House, 7b five Arches Business Park, Maidstone Road, Sidcup DA14 5AE

Nature of business: Dormant

Class of shares:	% holding	2019 £	2018 £
Ordinary	100.00		
Aggregate capital and reserves		<u>1,000</u>	<u>1,000</u>

**Pro-link Europe Limited**

Registered office: Irene House, 7b five Arches Business Park, Maidstone Road, Sidcup DA14 5AE

Nature of business: Recruitment

Class of shares:	% holding	2019 £	2018 £
Ordinary	90.00		
Aggregate capital and reserves		(67,183)	(73,876)
Profit/(loss) for the year		<u>6,593</u>	<u>(20,105)</u>

**Frankham Projects Limited**

Registered office: Irene House, 7b five Arches Business Park, Maidstone Road, Sidcup DA14 5AE

Nature of business: Building Development Consultancy

Class of shares:	% holding	2019 £	2018 £
Ordinary	75.00		
Aggregate capital and reserves		439,584	172,912
Profit for the year		<u>273,838</u>	<u>60,653</u>

**Frankham Systems Limited**

Registered office: Irene House, 7b five Arches Business Park, Maidstone Road, Sidcup DA14 5AE

Nature of business: Dormant

Class of shares:	% holding	2019 £	2018 £
Ordinary	100.00		
Aggregate capital and reserves		<u>(147,200)</u>	<u>(147,200)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2019**

**11. FIXED ASSET INVESTMENTS - continued****Frankham Risk Management Services Limited**

Registered office: Irene House, 7b five Arches Business Park, Maidstone Road, Sidcup DA14 5AE

Nature of business: Management services

Class of shares:	%		
Ordinary	holding		
	75.00		
		2019	2018
		£	£
Aggregate capital and reserves		(6,117)	(102,003)
Profit for the year		<u>95,886</u>	<u>86,447</u>

**Lane and Frankham Limited**

Registered office: Irene House, 7b five Arches Business Park, Maidstone Road, Sidcup DA14 5AE

Nature of business: Building development consultancy

Class of shares:	%		
Ordinary	holding		
	75.00		
		2019	2018
		£	£
Aggregate capital and reserves		341,243	450,613
Profit for the year		<u>10,584</u>	<u>153,744</u>

**12. DEBTORS**

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	2,608,056	2,929,695	1,522,923	1,634,578
Amounts owed by group undertakings	-	-	363,146	660,327
Other debtors	36,197	151,125	25,139	22,720
Directors' current accounts	27,469	59,067	27,469	59,067
Prepayments and accrued income	<u>1,718,592</u>	<u>1,773,655</u>	<u>1,257,615</u>	<u>1,495,739</u>
	<u>4,390,314</u>	<u>4,913,542</u>	<u>3,196,292</u>	<u>3,872,431</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	150,000	300,000
	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>300,000</u>
Aggregate amounts	<u>4,390,314</u>	<u>4,913,542</u>	<u>3,346,292</u>	<u>4,172,431</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2019**

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts (see note 15)	746,609	1,421,361	495,589	1,475,720
Hire purchase contracts (see note 16)	51,109	5,651	51,109	5,651
Trade creditors	1,472,604	1,475,575	1,026,882	1,071,561
Amounts owed to group undertakings	374,251	139,565	774,370	562,783
Corporation tax	94,539	7,166	-	-
Social security and other taxes	805,229	865,126	671,289	671,877
Other creditors	200,582	24,261	133,340	3,745
Directors' current accounts	24,946	12,718	696	7,718
Accruals and deferred income	549,549	1,078,232	477,765	626,850
	<u>4,319,418</u>	<u>5,029,655</u>	<u>3,631,040</u>	<u>4,425,905</u>

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2019	2018	2019	2018
	£	£	£	£
Hire purchase contracts (see note 16)	5,218	-	5,218	-
Directors' loan accounts	-	24,750	-	-
	<u>5,218</u>	<u>24,750</u>	<u>5,218</u>	<u>-</u>

**Loan Maturity Analysis**

The directors' current accounts are interest free and have no fixed period for repayment. The directors have indicated that they do not intend to draw the above amount on their directors' current accounts within the next twelve months. Therefore they have been classified as falling due after more than one year.

**15. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	<u>746,609</u>	<u>1,421,361</u>	<u>495,589</u>	<u>1,475,720</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2019**

**16. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

	Hire purchase contracts	
	2019	2018
	£	£
Net obligations repayable:		
Within one year	51,109	5,651
Between one and five years	<u>5,218</u>	<u>-</u>
	<u>56,327</u>	<u>5,651</u>

**Company**

	Hire purchase contracts	
	2019	2018
	£	£
Net obligations repayable:		
Within one year	51,109	5,651
Between one and five years	<u>5,218</u>	<u>-</u>
	<u>56,327</u>	<u>5,651</u>

**Group**

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	30,523	7,625
Between one and five years	28,182	13,920
In more than five years	<u>-</u>	<u>172,200</u>
	<u>58,705</u>	<u>193,745</u>

**Company**

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	233,923	7,625
Between one and five years	841,782	13,920
In more than five years	<u>-</u>	<u>172,200</u>
	<u>1,075,705</u>	<u>193,745</u>

**17. PROVISIONS FOR LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	2019	2018	2019	2018
	£	£	£	£
Deferred tax	<u>19,851</u>	<u>81,905</u>	<u>6,710</u>	<u>81,905</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2019**

**17. PROVISIONS FOR LIABILITIES - continued**

**Group**

	Deferred tax £
Balance at 1 April 2018	81,905
Provided during year	<u>(62,054)</u>
Balance at 31 March 2019	<u>19,851</u>

**Company**

	Deferred tax £
Balance at 1 April 2018	81,905
Provided during year	<u>(75,195)</u>
Balance at 31 March 2019	<u>6,710</u>

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2019 £ <u>99,250</u>	2018 £ <u>99,250</u>
99,250	Ordinary			

**19. RESERVES**

**Group**

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 April 2018	843,890	750	844,640
Profit for the year	<u>301,642</u>		<u>301,642</u>
At 31 March 2019	<u>1,145,532</u>	<u>750</u>	<u>1,146,282</u>

**Company**

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 April 2018	818,060	750	818,810
Profit for the year	<u>61,981</u>		<u>61,981</u>
At 31 March 2019	<u>880,041</u>	<u>750</u>	<u>880,791</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 March 2019**

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**20. NON-CONTROLLING INTERESTS**

The minority interests in the subsidiary companies are as follows:

<b>Company name</b>	<b>% holding of Minority Interest</b>	<b>Number of shares</b>	<b>Value of shares</b>
CAMSoft Limited	35%	350	Ord £1
Frankham Risk Management Limited	25%	250	Ord £1
Pro-Link Europe Limited	10%	10	Ord £1
Frankham Projects Limited	25%	25	Ord £1
Lane and Frankham Limited	25%	25	Ord £1

All minority interest shares rank pari passu with the shares held by the parent company, with full voting and distribution rights attached to them.

**21. ULTIMATE PARENT COMPANY**

Frankham Holdings Limited is regarded by the directors as being the company's ultimate parent company.

**22. RELATED PARTY DISCLOSURES**

Details on related parties transactions can be found in the consolidated financial statements for the parent company, Frankham Holdings Limited.

Within other creditors there is a balance at the year end owed to a company under common control of £113,147 (2018: £12,878 owed by)

At the year end the directors owed the company £2,523 (2018: £21,599).

**23. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is S J Frankham.