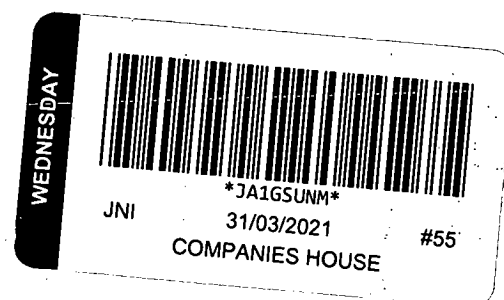


Friars 731 Limited

Report and Financial Statements

For the year ended 31 March 2020



Directors

A J Ducker
D B Manning
D S McQueen (appointed 28 October 2019)
M J Rice (appointed 17 August 2020)
J Warren (appointed 28 October 2019)
G D Koral (resigned 5 September 2019)

Registered number

11313138

Auditors

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast BT2 7DT

Registered Office

Millennium Works
Enterprise Way
Wisbech, Cambridgeshire
United Kingdom
PE14 0SB

Registered No. 11313138

Directors' report

The directors present their report and financial statements for the company for the year ended 31 March 2020.

The company is an intermediate holding company and its principal activity is the holding of investments in subsidiary undertakings. The company did not trade in the current period. No dividends were paid during the period and the directors have not approved a final dividend.

Post balance sheet events

The business is a non-trading entity and does not have any external finance. There have been no post balance sheet events.

COVID-19 is a non-adjusting post balance sheet event and hence its effect is not reflected in these statements.

Going concern

The directors have prepared cash flow forecasts across the Total Vehicle Solutions Group for the foreseeable future, being the 24 month period ending 31 March 2023, and reflect the current position of the COVID-19 pandemic, and give the Directors reasonable confidence the company will have adequate resources to meet its operating liabilities as they fall due for the foreseeable future.

The company also has a financial support letter from its parent undertaking for the 24 month period ending 31 March 2023, Total Vehicle Solutions Group Limited.

On the basis of their assessment, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The directors who served the company during the period were as follows:

A J Ducker	
D B Manning	
D S McQueen	(appointed 28 October 2019)
M J Rice	(appointed 17 August 2020)
J Warren	(appointed 28 October 2019)
G D Koral	(resigned 5 September 2019)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

In accordance with Sections 485 to 488 of the Companies Act 2006, the Auditor, Ernst & Young LLP, will be deemed to be reappointed and therefore will continue in office.

Directors' report

Small company regime

This report has been prepared in accordance with the special provisions applicable to companies' subject to the small companies' regime within Part 15 of the Companies Act 2006.

Strategic report

The directors have not prepared a Strategic Report as the company is entitled to the special provisions applicable to companies' subject to the small companies' regime within Part 15 of the Companies Act 2006.

On behalf of the Board



James Warren
Director

9 March 2021

Directors' Responsibilities Statement

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Independent auditors' report

to the members of Friars 731 Limited

Opinion

We have audited the financial statements of Friars 731 Limited for the year ended 31 March 2020 which comprise the Profit and Loss account, Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 11, 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 company's affairs as at 31 March 2020 and of its loss 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 below. 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 were:

- 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 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.

Independent auditors' report

to the members of Friars 731 Limited

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Independent auditors' report

to the members of Friars 731 Limited

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor'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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Lindsay Russell

for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date: 31/03/21

Profit and loss account

for the year ended 31 March 2020

		2020	2019
	Note	£	£
Interest payable on loans payable	3	(451,963)	(451,963)
Loss before taxation		(451,963)	(451,963)
Tax credit on loss	4	3,483	–
Loss for the year		<u>(448,480)</u>	<u>(451,963)</u>

Statement of comprehensive income

for the year ended 31 March 2020

No other gains or losses were recognised in the financial year (2019: £nil).

Statement of changes in equity

for the year 31 March 2020

	Called up share capital £	Profit and loss account £	Total Equity £
At incorporation	–	–	–
Shares issued in the period	–	–	–
Loss for the period	–	(451,963)	(451,963)
At 31 March 2019	–	(451,963)	(451,963)
Loss for the year	–	(448,480)	(448,480)
At 31 March 2020	–	<u>(900,443)</u>	<u>(900,443)</u>

Called up share capital

Share capital represents the nominal value of shares that have been issued. The company issued 1 ordinary share with nominal amount of £0.01 per share.

Registered Number: 10940820

Balance sheet

at 31 March 2020

	Notes	31 March 2020 £	31 March 2019 £
Fixed assets			
Investments	5	<u>6,556,354</u>	<u>6,556,354</u>
Current assets			
Debtors: amounts falling due within one year	6	<u>688,125</u>	<u>684,642</u>
		688,125	684,642
Creditors: amounts falling due within one year	7	<u>(1,683,922)</u>	<u>(1,231,959)</u>
Net current liabilities		<u>(995,797)</u>	<u>(547,317)</u>
Total assets less current liabilities assets		5,560,557	6,009,037
Creditors: amounts falling due after more than one year	8	<u>(6,461,000)</u>	<u>(6,461,000)</u>
Net liabilities		<u>(900,443)</u>	<u>(451,963)</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		<u>(900,443)</u>	<u>(451,963)</u>
Shareholder deficit		<u>(900,443)</u>	<u>(451,963)</u>

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 and authorised for issue by the board and were signed on its behalf by:



James Warren
Director

9 March 2021

Notes to the financial statements

at 31 March 2020

1. General information

Friars 731 Limited is an intermediate holding company which did not trade in the current year, recognising only interest payable on intergroup loans in the current financial year and previous period.

Friars 731 Limited is a private company limited by shares and incorporated in England and Wales. The address of its registered office and principal place of business is Millennium Works, Enterprise Way, Wisbech, Cambridgeshire, United Kingdom, PE14 0SB.

The financial statements are presented in Sterling (£) which is the functional currency of the company. No rounding has been applied.

2. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the Companies Act 2006.

Group financial statements

The company itself is a parent and subsidiary company and is included within the group financial statements of Total Vehicle Solutions Group Limited. The company is exempt from the requirement to prepare group financial statements in accordance with section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemption, subject to certain conditions which have been complied with. The company is a wholly owned subsidiary of Total Vehicle Solutions Group Limited and is included within the consolidated financial statements of that company which are publicly available. Consequently, in these financial statements the company has applied the following exemptions in respect of disclosures relating to:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48 (c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Total Vehicle Solutions Group Limited as at 31 March 2020 and these financial statements may be obtained from Companies House.

Critical accounting judgements and estimation uncertainty

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances, in the process of applying the company's accounting policies.

There are no critical accounting judgements or estimates in applying the company's accounting policies.

Notes to the financial statements

at 31 March 2020

2. Accounting policies (continued)

Accounting policies

The following principal accounting policies have been applied in the preparation of these financial statements:

Going concern

The directors have prepared cash flow forecasts across the Total Vehicle Solutions Group for the foreseeable future, being the 24 month period ending 31 March 2023, and reflect the current position of the COVID-19 pandemic, and give the Directors reasonable confidence the company will have adequate resources to meet its operating liabilities as they fall due for the foreseeable future.

The company also has a financial support letter from its parent undertaking for the 24 month period ending 31 March 2023, Total Vehicle Solutions Group Limited.

On the basis of their assessment, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial instruments

The company has elected to apply sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

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 company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including intercompany receivable balances are initially recognised at transaction price, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including amounts due to fellow group companies, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

Notes to the financial statements

at 31 March 2020

2. Accounting policies (continued)

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

Share capital

Ordinary shares are classified as equity. Incremental cost directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3. Interest payable and similar charges

	2020	2019
	£	£
Interest payable on loans payable to related undertakings and group companies	451,963	451,963

Notes to the financial statements

at 31 March 2020

4. Taxation

	2020	2019
	£	£
Corporation tax	-	-
Current tax on profits for the year	-	-
Adjustments in respect of previous periods	-	-
Deferred tax		
Increase/(decrease) in deferred tax provision	(1,742)	-
Adjustments in respect of previous periods	(1,558)	-
Effect of rate change on opening balance	(183)	-
Taxation on profit	(3,483)	-

Factors affecting tax charge for the year

The tax assessed for the period is lower/higher than the standard rate of corporation tax in the UK (19%).
The differences are explained below:

	2020	2019
	£	£
Loss before tax	(451,963)	(451,963)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(85,873)	(85,873)
Effects of:		
Adjustments in respect of previous periods	(1,558)	-
Change in rate from CT to DT	(183)	-
Group relief surrendered for Nil payment	84,131	85,873
Total tax charge for the year	(3,483)	-

Factors that may affect future tax charges

The Finance Bill 2016 enacted a reduction in corporation tax rate to 17% with effect from 1 April 2020. This was the rate at which deferred tax was provided in 2019 accounts. The Finance Bill 2020 confirmed that the rate of corporation tax will remain at the rate of 19% from 1 April 2020 (cancelling the enacted cut to 17%). As this change was enacted before year end by the passing of Budget Resolution on 17 March 2020, deferred tax is now provided at 19%.

Notes to the financial statements

at 31 March 2020

5. Investments

	<i>Investments in subsidiary companies £</i>
<i>Cost and net book value</i>	
At 31 March 2019	6,556,354
Additions	-
At 31 March 2020	<u>6,556,354</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

<i>Name</i>	<i>Class of shares</i>	<i>Holding</i>	<i>Nature of business</i>
McPhee Bros (Blantyre) Limited	Ordinary	100%	Supply of goods to the cement mixer industry

The registered office of McPhee Bros (Blantyre) Limited is 58 John Street, Blantyre, Lanarkshire, G72 0JF.

The company itself is a subsidiary company and is included within the group financial statements of Total Vehicle Solutions Group Limited. The company is exempt from the requirement to prepare group financial statements in accordance with section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

6. Debtors

	<i>2020 £</i>	<i>2019 £</i>
Amounts owed from group undertakings	684,642	684,642
Deferred tax asset	3,483	-
	<u>688,125</u>	<u>684,642</u>

Amounts owed from group undertakings are unsecured and interest free.

7. Creditors: amounts falling due within one year

	<i>2020 £</i>	<i>2019 £</i>
Amounts owed to group undertakings	<u>1,683,922</u>	<u>1,231,959</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Notes to the financial statements

at 31 March 2020

8. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Amounts owed to group undertakings	6,261,000	6,261,000
Amounts owed to related parties	200,000	200,000
	<u>6,461,000</u>	<u>6,461,000</u>

Amounts owed to group undertakings

On 27 April 2018, the company acquired the entire issued share capital of McPhee Bros (Blantyre) Limited for £6,261,000, plus acquisition-related fees of £295,354. The consideration consisted of unsecured loan notes from Total Vehicle Solutions Group Limited amounting to £6,261,000 with a fixed interest of 5% payable per annum. The loan notes are payable in 2023.

Amounts owed to related parties

On 27 April 2018, the company took out an unsecured loan notes from Elaghmore GP LLP amounting to £200,000 with a fixed interest of 5% payable per annum. The loan notes are payable in 2023.

9. Issued share capital

	No.	2020 £	No.	2019 £
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £0.01 each	1	—	1	—
		<u>—</u>		<u>—</u>

On 17 April 2018, 1 ordinary share of £0.01 each were issued.

10. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

11. Ultimate parent undertaking and controlling party

As at 31 March 2020, the immediate and ultimate parent undertaking was Total Vehicle Solutions Group Limited, a company incorporated in England, whose registered office is Millennium Works, Enterprise Way, Wisbech, Cambridgeshire, England, PE14 OSB. Consolidated financial statements of Total Vehicle Solutions Group Limited are available from Companies Office.

The ultimate controlling party is Elaghmore GP LLP.