

COMPANY REGISTRATION NO. 09221477 (England and Wales)

FRS CONTRACTOR SOLUTIONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

FRS CONTRACTOR SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	Mr I Cole-Wilkins Mr J C Smith Ms L Gratton	(Appointed 23 July 2018)
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Company number	09221477
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Registered office	Tec Marina Terra Nova Way Penarth CF64 1SA
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Auditor	UHY Hacker Young Lanyon House Mission Court Newport South Wales United Kingdom NP20 2DW
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FRS CONTRACTOR SOLUTIONS LIMITED

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FRS CONTRACTOR SOLUTIONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present the strategic report for the year ended 31 March 2019.

Fair review of the business

The results are set out on page 6, turnover is considered to be the key measure of operating performance; in the year turnover grew by 28.9% pro-rate to £23,492,201 (2018 14 months: £21,256,699) Gross profit was £1,886,917, 8% (2018: £1,334,248, 6.3%) and operating profit was £587,154 (2018: £390,292).

These improvements are a collaboration of organic growth and management of resources within the Indigo Group.

At 31 March 2019 the company has net current assets of £342,050 (2018: net current liabilities £10,651) and net assets of £377,788 (2018: £26,373).

Principal risks and uncertainties

Management consider that the principal risks and uncertainties are:

General economic conditions

The company operates in a specialised market, the demand for which depends upon the general economy. The company seeks to maintain a competitive advantage by offering an appropriate service and providing a high level of customer service.

Personnel risk

The company is a privately owned business and places great emphasis on recruiting and training high quality competent staff. The board considers succession planning on a regular basis.

Financial risk

The company is funded from retained profits and is reliant on converting retained profits into cash. Financial monitoring, forecasting and planning are continuous processes, with particular emphasis on balancing the maintenance of the gross profit margin with the delivery of a high quality service to customers. Trading uncertainty from market conditions can always impact the company's financial position and thereby its profitability which in turn impacts the company's cashflow. The company has sufficient funds available for ongoing operations.

Changes to employment laws

The company has kept abreast of changes in employment law. The company works closely with its suppliers and customers to ensure full compliance with all current and prospective laws.

Key performance indicators

A key financial indicator is turnover levels, which is an indicator of increase in market share.

A key non-financial key indicator is the number of employees required to maintain and service the client base.

On behalf of the board

Mr I Cole-Wilkins

Director

12 December 2019

FRS CONTRACTOR SOLUTIONS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

The directors present their annual report and financial statements for the year ended 31 March 2019.

Principal activities

The principal activity of the company continued to be that of provision of commercial subcontract services.

Directors

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

Mr I Cole-Wilkins

Mr J C Smith

Ms L Gratton

(Appointed 23 July 2018)

Results and dividends

The results for the year are set out on page 6; a review of business is set out on the strategic report on page 1.

Ordinary dividends were paid amounting to £229,428. The directors do not recommend payment of a further dividend.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Auditor

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

FRS CONTRACTOR SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Statement of directors' responsibilities

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 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 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.

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 company's auditor 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 company's auditor is aware of that information.

Going Concern

At 31 March 2019 the company has net current assets of £342,050 (2018: net current liabilities £10,651) and net assets of £377,788 (2018: £26,373).

The company is part of the Indigo Group; the company's activities and performance is linked to the group and the company is reliant on the continued support of the group and the parent company Indigo Service Solutions Limited.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has the continued support of the Indigo Group and 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.

On behalf of the board

Mr I Cole-Wilkins
Director

12 December 2019

FRS CONTRACTOR SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FRS CONTRACTOR SOLUTIONS LIMITED

Opinion

We have audited the financial statements of FRS Contractor Solutions Limited (the 'company') for the year ended 31 March 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 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.

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.

FRS CONTRACTOR SOLUTIONS LIMITED

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF FRS CONTRACTOR SOLUTIONS LIMITED**

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the 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 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's 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.

Mr John Griffiths (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

12 December 2019

Chartered Accountants
Statutory Auditor

Newport
South Wales
United Kingdom

FRS CONTRACTOR SOLUTIONS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019**

		Year ended 31 March 2019 £	Period ended 31 March 2018 £
	Notes		
Turnover	3	23,492,201	21,256,699
Cost of sales		(21,605,284)	(19,922,451)
Gross profit		1,886,917	1,334,248
Administrative expenses		(1,323,862)	(943,956)
Other operating income		15,254	-
Profit before taxation		578,309	390,292
Tax on profit	7	2,534	(46,923)
Profit for the financial year		580,843	343,369

The profit and loss account has been prepared on the basis that all operations are continuing operations.

FRS CONTRACTOR SOLUTIONS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Year ended 31 March 2019 £	Period ended 31 March 2018 £
Profit for the year	580,843	343,369
Other comprehensive income	-	-
Total comprehensive income for the year	<u>580,843</u>	<u>343,369</u>

FRS CONTRACTOR SOLUTIONS LIMITED

**BALANCE SHEET
AS AT 31 MARCH 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	10		2,109		8,212
Tangible assets	9		35,908		33,625
Investments	11		25		25
			<u>38,042</u>		<u>41,862</u>
Current assets					
Debtors	13	1,717,978		1,317,612	
Cash at bank and in hand		483,375		368,228	
		<u>2,201,353</u>		<u>1,685,840</u>	
Creditors: amounts falling due within one year	14	(1,859,303)		(1,696,491)	
Net current assets/(liabilities)			<u>342,050</u>		<u>(10,651)</u>
Total assets less current liabilities			<u>380,092</u>		<u>31,211</u>
Provisions for liabilities	15		(2,304)		(4,838)
Net assets			<u><u>377,788</u></u>		<u><u>26,373</u></u>
Capital and reserves					
Called up share capital	18		100		100
Profit and loss reserves			<u>377,688</u>		<u>26,273</u>
Total equity			<u><u>377,788</u></u>		<u><u>26,373</u></u>

The financial statements were approved by the board of directors and authorised for issue on 12 December 2019 and are signed on its behalf by:

Mr I Cole-Wilkins
Director

Company Registration No. 09221477

FRS CONTRACTOR SOLUTIONS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 February 2017		100	17,904	18,004
Period ended 31 March 2018:				
Profit and total comprehensive income for the period		-	343,369	343,369
Dividends	8	-	(335,000)	(335,000)
		<u>100</u>	<u>26,273</u>	<u>26,373</u>
Balance at 31 March 2018		100	26,273	26,373
Period ended 31 March 2019:				
Profit and total comprehensive income for the period		-	580,843	580,843
Dividends	8	-	(229,428)	(229,428)
		<u>100</u>	<u>377,688</u>	<u>377,788</u>
Balance at 31 March 2019		<u>100</u>	<u>377,688</u>	<u>377,788</u>

FRS CONTRACTOR SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

FRS Contractor Solutions Limited is a private company limited by shares incorporated in England and Wales. The registered office is Tec Marina, Terra Nova Way, Penarth, CF64 1SA.

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. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Indigo Service Solutions Limited. These consolidated financial statements are available from its registered office, C/O UHY Hacker Young, Lanyon House, Mission Court, Newport, South Wales, NP20 2DW.

1.2 Going concern

At 31 March 2019 the company has net current assets of £342,050 (2018: net current liabilities £10,651) and net assets of £377,788 (2018: £26,373).

The company is part of the Indigo Group; the company's activities and performance is linked to the group and the company is reliant on the continued support of the group and the parent company Indigo Service Solutions Limited.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has the continued support of the Indigo Group and 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.

1.3 Reporting period

The comparative amounts presented in the financial statements are not entirely comparable as they represent a 14 month period from 1 February 2017 to 31 March 2018.

FRS CONTRACTOR SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

1 Accounting policies (Continued)

1.4 Turnover

Turnover represents total recharged direct labour costs and associated administration fee, net of value added tax.

The company operates as a principal and therefore records its income gross, without the deduction of associated direct labour costs.

1.5 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.

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:

Licences	10-25% straight line
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1.6 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:

Software development	25% straight line from date of development
Fixtures and fittings	20% straight line
Website	25% straight line

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 credited or charged to profit or loss.

1.7 Fixed asset investments

Interests in associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

1.8 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

FRS CONTRACTOR SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

1 Accounting policies

(Continued)

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 company 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 Taxation

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

FRS CONTRACTOR SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

1 Accounting policies

(Continued)

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 company'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 when the company has 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.

1.10 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.

1.11 Retirement benefits

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

1.12 Leases

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 leases asset are consumed.

1.13 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.

FRS CONTRACTOR SOLUTIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019****2 Judgements and key sources of estimation uncertainty**

In the application of the company'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.

Management do not consider the company to have any critical accounting judgements or sources of estimation uncertainty, since none of the areas of judgement and estimation are expected to have a material affect on the results of the company.

3 Turnover and other revenue

	2019	2018
	£	£
Turnover analysed by class of business		
Sales	22,033,474	20,379,479
Management charges	1,458,727	860,220
Commission	-	17,000
	<u>23,492,201</u>	<u>21,256,699</u>

4 Operating profit

	2019	2018
	£	£
Operating profit for the period is stated after charging:		
Exchange losses	301	-
Fees payable to the company's auditor for the audit of the company's financial statements	16,000	9,650
Depreciation of owned tangible fixed assets	11,554	9,774
Amorisation of intangible assets	6,103	6,375
Operating lease charges	<u>76,685</u>	<u>86,828</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 £301 (2018 - £-).

5 Employees

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

	2019	2018
	Number	Number
Subcontractors	300	375
Administrative staff	16	12
	<u>316</u>	<u>387</u>

FRS CONTRACTOR SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

5 Employees (Continued)

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	11,648,881	12,229,944
Social security costs	59,095	44,774
Pension costs	4,354	531
	<u>11,712,330</u>	<u>12,275,249</u>

6 Directors' remuneration

	2019	2018
	£	£
Remuneration for qualifying services	<u>12,180</u>	<u>14,013</u>

7 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	-	76,601
Group tax relief	-	(31,917)
Total current tax	<u>-</u>	<u>44,684</u>
Deferred tax		
Origination and reversal of timing differences	1,190	2,239
Changes in tax rates	(149)	-
Adjustment in respect of prior periods	(3,575)	-
Total deferred tax	<u>(2,534)</u>	<u>2,239</u>
Total tax (credit)/charge	<u>(2,534)</u>	<u>46,923</u>

FRS CONTRACTOR SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

7 Taxation (Continued)

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	578,309	390,292
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	109,879	74,155
Tax effect of expenses that are not deductible in determining taxable profit	18,293	4,949
Tax effect of utilisation of tax losses not previously recognised	(60,372)	-
Group relief	(66,470)	(31,917)
Permanent capital allowances in excess of depreciation	(1,330)	(2,503)
Deferred tax	(2,385)	2,239
Change in deferred tax rate	(149)	-
	<u> </u>	<u> </u>
Taxation (credit)/charge for the period	(2,534)	46,923
	<u> </u>	<u> </u>

8 Dividends	2019	2018
	£	£
Final paid	229,428	335,000
	<u> </u>	<u> </u>

9 Tangible fixed assets	Software development	Fixtures and fittings	Website	Total
	£	£	£	£
Cost				
At 1 April 2018	5,863	32,766	12,700	51,329
Additions	-	13,837	-	13,837
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2019	5,863	46,603	12,700	65,166
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment				
At 1 April 2018	-	8,587	9,117	17,704
Depreciation charged in the year	-	7,971	3,583	11,554
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2019	-	16,558	12,700	29,258
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount				
At 31 March 2019	5,863	30,045	-	35,908
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2018	5,863	24,179	3,583	33,625
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

FRS CONTRACTOR SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

10 Intangible fixed assets

	Licences £
Cost	
At 1 April 2018 and 31 March 2019	24,750
Amortisation and impairment	
At 1 April 2018	16,538
Amortisation charged for the year	6,103
At 31 March 2019	22,641
Carrying amount	
At 31 March 2019	2,109
At 31 March 2018	8,212

11 Fixed asset investments

	Notes	2019 £	2018 £
Investments in associates	12	25	25

Movements in fixed asset investments

	Shares in Associate £
Cost or valuation	
At 1 April 2018 & 31 March 2019	25
Carrying amount	
At 31 March 2019	25
At 31 March 2018	25

12 Associates

Details of the company's associates at 31 March 2019 are as follows:

Name of undertaking	Nature of business	Class of shares held	% Held Direct	Indirect
Credas Technologies Ltd	Real-time identity verification	Ordinary	25.00	

The registered office of Credas Technologies Ltd is Tec Marina, Terra Nova Way, Penarth, Vale of Glamorgan, Wales, CF64 1SA.

Indigo Service Solutions Limited, the parent company of FRS Contractor Solutions Limited has a direct holding of 62% of the Ordinary shares in Credas Technologies Ltd.

FRS CONTRACTOR SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

13 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	831,393	706,059
Corporation tax recoverable	15,374	-
Amounts owed by group undertakings	167,653	197,769
Other debtors	682,122	379,115
Prepayments and accrued income	21,436	34,669
	<u>1,717,978</u>	<u>1,317,612</u>

14 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	33,598	25,904
Amounts owed to group undertakings	811,664	258,786
Corporation tax	-	44,751
Other taxation and social security	519,825	878,444
Other creditors	43,518	162,361
Accruals and deferred income	450,698	326,245
	<u>1,859,303</u>	<u>1,696,491</u>

15 Provisions for liabilities

	2019	2018
	£	£
	Notes	
Deferred tax liabilities	16	2,304
		<u>4,838</u>

16 Deferred taxation

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

	Liabilities	Liabilities
	2019	2018
	£	£
Balances:		
Accelerated capital allowances	2,304	4,838
	<u>2,304</u>	<u>4,838</u>

FRS CONTRACTOR SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

16 Deferred taxation (Continued)

	2019
	£
Movements in the year:	
Liability at 1 April 2018	4,838
Credit to profit or loss	(2,534)
	<u>2,304</u>
Liability at 31 March 2019	<u><u>2,304</u></u>

17 Retirement benefit schemes

	2019	2018
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	4,354	531
	<u><u>4,354</u></u>	<u><u>531</u></u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
90 Ordinary A shares of £1 each	90	90
10 Ordinary B shares of £1 each	10	10
	<u>100</u>	<u>100</u>
	<u><u>100</u></u>	<u><u>100</u></u>

19 Operating lease commitments

Lessee

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

	2019	2018
	£	£
Within one year	93,616	97,532
Between two and five years	187,364	232,208
	<u>280,980</u>	<u>329,740</u>
	<u><u>280,980</u></u>	<u><u>329,740</u></u>

20 Related party transactions

FRS Contractor Solutions Limited received management charges from its fellow group companies amounting to £390,239 (2018: £710,220).

FRS CONTRACTOR SOLUTIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019****21 Directors' transactions**

Dividends totalling £117,524 (2018 - £26,000) were paid in the year in respect of shares held by the company's directors.

Description	% Rate	Opening balance	Amounts advanced	Amounts repaid	Closing balance
		£	£	£	£
Directors loan account	-	100,663	238,713	(239,376)	100,000
		<u>100,663</u>	<u>238,713</u>	<u>(239,376)</u>	<u>100,000</u>
		<u>100,663</u>	<u>238,713</u>	<u>(239,376)</u>	<u>100,000</u>

The directors loan accounts are interest free and repayable on demand.

22 Parent company and ultimate controlling party

The ultimate parent company and controlling party of FRS Contractor Solutions Limited is Indigo Service Solutions Limited, incorporated in England and Wales. Indigo Service Solutions Limited is the parent undertaking of the smallest and largest group which includes the company for which group financial statements are prepared. Copies of the group financial statements of Indigo Service Solutions Limited are available from the registered office; C/O Uhy Hacker Young Lanyon House, Mission Court, Newport, NP20 2DW. Its principal place of business is Harlequin House, 7 High Street, Teddington, TW11 8EE.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.