

FRS 102 Layout Limited

Report and Financial Statements

Year ended 31 December 2018

Company Number:

These financial statements have been prepared in accordance with FRS 102 including the changes introduced by Amendments to FRS 102 – Triennial Review 2017, which are mandatory for periods beginning on or after 1 January 2019 but that have been adopted in their entirety early by FRS 102 Layout Limited.

FRS 102 Layout Limited is an unlisted company so, amongst other things, is not required to publish:

- *a Directors' Remuneration Report;*
- *EPS information (FRS 102 s1.4); or*
- *Information on operating segments (FRS 102 s1.5)*

Nor is FRS 102 Layout Limited a provider of specialised activities covered under FRS 102 s34

PLEASE NOTE:

This publication has been carefully prepared, but it has been written in general terms and should be seen as containing broad statements only. This publication should not be used or relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained in this publication without obtaining specific professional advice. Please contact BDO LLP to discuss these matters in the context of your particular circumstances.

FRS 102 Layout Limited Guidance Notes

How to use FRS 102 Layout Limited and general accounts filing tips

FRS 102 Layout Limited

FRS 102 Layout Limited is a large private limited company, incorporated in the UK. As a large company, it prepares its accounts in accordance with Statutory Instrument 2008/410 *The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008* as amended by SI 2015/980.

Whilst FRS 102 Layout Limited aims to present an example of many of the disclosure requirements for a typical set of consolidated accounts for an unlisted company, it does not provide a comprehensive illustration of all possible required disclosures.

Abbreviations

The following are examples of the references used to refer to the source of disclosures:

s385	Section 385 of the Companies Act 2006
SI 2008/410	Statutory Instrument [year/number] SI 2008/410 is <i>The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008</i> .
Sch 1	Schedule 1 of SI 2008/410
Sch 1 (1)(3)	SI 2008/410 Schedule 1 paragraph 1 sub-paragraph 3
FRS 102	Financial Reporting Standard 102, as issued by the Financial Reporting Council, applicable to periods beginning on or after 1 January 2017, along with the changes introduced by Amendments to FRS 102 – Triennial Review 2017 (effective for periods beginning on or after 1 January 2019), which have been early adopted by FRS 102 Layout Limited
FRS 102 s1.12	Section 1 paragraph 12 of Financial Reporting Standard 102
TECH	ICAEW Technical Release
TECH 24/03:13	Paragraph 13 of ICAEW Technical Release 24/03

Registrar's Rules

A full list of these rules is available on the [gov.uk website](http://gov.uk). Failure to comply will result in the accounts being rejected and, potentially, late filing charges being incurred. Please be aware that the old concession of allowing fourteen days to re-file defective accounts has been withdrawn.

Company name and registered number	The company name and registered number must be included on one of the balance sheet, directors' report, DRR or audit report. It is BDO policy to include the company number on the front cover and on the balance sheet.
Ink Colour	Black, including any signatures.
Directors' signatures	The balance sheets must be signed on behalf of the board the directors.
Auditor's signature	The copy of the accounts filed at Companies House does not have to be signed by the auditors (although there must be copies of the signed accounts available). However, it is BDO policy that all audit reports to be filed should have a manual signature.
BDO Logo	Documents filed at Companies House should not contain any corporate logos. As such, the copy of the financial statements to be filed should have the BDO logo removed from the title page.

FRS 102 Layout Limited

Report and Financial Statements for the year ended 31 December 2018

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Directors

Secretary and registered office

Company number

Auditors

FRS 102 Layout Limited Guidance Notes

The Strategic Report: Who discloses what?

The following table summarises the Companies Act 2006 Strategic Report requirements for Unquoted Large Public Interest Entities* with over 500 employees (Large PIE), other large companies including those listed on AIM, (Large), and medium-sized companies (Medium). Quoted companies, no matter how many employees they might have, are subject to additional requirements not included in this table. Small companies, and those that would be small if they were not part of an ineligible group, are not required to prepare a Strategic Report.

The purpose of the Strategic Report is to inform members of the company and help them to assess how the directors have performed their duty under s172 of the Companies Act 2006 (duty to promote the success of the company).

Reference	Requirement	Large PIE **	Large	Medium
s414C(2)(a)	A fair review of the company's business	✓	✓	✓
s414C(2)(b)	A description of the principal risks and uncertainties facing the company	✓	✓	✓
s414C(3)(a)	A balanced and comprehensive analysis of the development and performance of the business during the year, consistent with the size and complexity of the business	✓	✓	✓
s414C(3)(b)	A balanced and comprehensive analysis of the position of the business at the end of the year, consistent with the size and complexity of the business	✓	✓	✓
s414C(4)(a)	To the extent necessary for an understanding of the development, performance or position of the business, analysis using financial key performance indicators	✓	✓	✓
s414C(4)(b)	Where appropriate and to the extent necessary for an understanding of the development, performance or position of the business, analysis using other key performance indicators, including information relating to environmental matters and employee matters	x	✓ Except if also a large PIE	x
s414C(11)	The strategic report may also contain information that is otherwise required to be included in the directors' report where it is of strategic importance to the company	✓	✓	✓
s414C(12)	Reference to, and additional explanations of, amounts included in the annual accounts	✓	✓	✓
s414CB(1)(a)	To the extent necessary for an understanding of the company's development, performance or position or the impact of its activities, information on environmental matters (including the impact of the company's business on the environment)	✓	x	x

* A company whose securities are listed on an EU-regulated market or which is a banking company, authorised insurance company or a company carrying on insurance market activity

** The exact wording of the Act might be read to suggest that the information in this column must be included in a separate section of the strategic report. However, it is currently common and accepted practice to integrate this information into the other information included in the strategic report

FRS 102 Layout Limited Guidance Notes

The Strategic Report: Who discloses what? *(continued)*

Reference	Requirement	Large PIE	Large	Medium
s414CB(1)(b)	To the extent necessary for an understanding of the company's development, performance or position or the impact of its activities, information on the company's employees	✓	x	x
s414CB(1)(c)	To the extent necessary for an understanding of the company's development, performance or position or the impact of its activities, information on social matters	✓	x	x
s414CB(1)(d)	To the extent necessary for an understanding of the company's development, performance or position or the impact of its activities, information on respect for human rights	✓	x	x
s414CB(1)(e)	To the extent necessary for an understanding of the company's development, performance or position or the impact of its activities, information on anti-corruption and anti-bribery matters	✓	x	x
s414CB(2)(a)	A description of the company's business model	✓	x	x
s414CB(2)(b) & (c)	A description of the policies pursued by the company in relation to the matters mentioned in s414CB(1) and any due diligence processes implemented by the company in pursuance of those policies, together with a description of the outcome of those policies	✓	x	x
s414CB(2)(d)	A description of the principal risks relating to the matters mentioned in s414CB(1) and, where relevant and proportionate, a description of the business relationships, products and services which are likely to cause adverse impacts on those areas of risk and a description of how the company manages the principal risks	✓	x	x
s414CB(2)(e)	A description of the non-financial key performance indicators relevant to the company's business	✓	x	x
s414CB(4)	If the company does not pursue policies in relation to one or more of the matters mentioned in s414CB(1), clear and reasoned explanations for not doing so	✓	x	x
s414CB(5)	Reference to, and additional explanation of, amounts included in the company's annual accounts	✓	x	x
s414D(1)	Approval by the board	✓	✓	✓

The following section contains an example report for a large private company. In line with best practice, FRS 102 Layout Limited has voluntarily provided some disclosures that are only *required* to be included in a Quoted company's Strategic Report.

The FRC has issued non-mandatory guidance on the strategic report and a link can be found [here](#).

FRS 102 Layout Limited Guidance Notes

The Strategic Report

SOURCE	COMMENTS
Chairman's message	
s414C(11)	The strategic report may also contain such matters otherwise required by regulations made under s416(4) to be disclosed in the directors' report as the directors consider are of strategic importance to the company.
Sch 7 (1) (1)(a)	<p>Where a company has chosen in accordance with section 414C(11) to set out in the company's strategic report information required by this Schedule to be contained in the directors' report it shall state in the directors' report that it has done so and in respect of which information it has done so.</p> <p>Note: The directors of FRS 102 Layout Limited have elected to disclose their recommended dividend in the Strategic Report. The disclosure of recommended dividend would otherwise be provided in the Directors' Report by s416(3): The Directors' Report should include the amount (if any) that the directors recommend should be paid by way of a dividend.</p>
s414C(7)(a)	<p>The strategic report must*, to the extent necessary for an understanding of the development, performance or position of the company's business, include the main trends and factors likely to affect future development, performance and position.</p> <p>* Note: Only Quoted companies are <i>required</i> to include information on these matters in their Strategic Report (to the extent necessary for an understanding for the development, performance and position of the company), however, it is best practice for other companies also to include a reference to relevant matters in order to provide back ground and context for the other information in the Strategic Report.</p>

FRS 102 Layout Limited
Strategic Report
for the year ended 31 December 2018

Chairman's message

FRS 102 Layout Limited Guidance Notes

The Strategic Report (Continued)

SOURCE

COMMENTS

Business model

s414C(8)(b)

The strategic report must* include a description of the company's business model.

s414C(8)(a)

The strategic report must* include a description of the company's strategy.

* **Note:** Only Quoted companies are *required* to include a description of their business model and strategies in their Strategic Report, however, it is best practice for other companies also to include a brief description of their business model in order to provide background and context to the annual report. There is no longer a requirement to disclose a company's principal activity.

FRS 102 Layout Limited

Strategic Report
for the year ended 31 December 2018 (Continued)

Business model

Strategy

FRS 102 Layout Limited Guidance Notes

The Strategic Report (Continued)

SOURCE

COMMENTS

Financial review

s414C(2)(a)	The strategic report must contain a fair review of the company's business.
s414C(12)	The report must, where appropriate, include references to, and additional explanations of, amounts included in the company's annual accounts.
s414C(7)(b)	<p>The strategic report must*, to the extent necessary for an understanding of the development, performance or position of the company's business, information about:</p> <ul style="list-style-type: none">(i) environmental matters (including the impact of the company's business on the environment);(ii) the company's employees; and(iii) social, community and human rights issues

including information about any policies of the company in relation to those matters and the effectiveness of those policies.

If the report does not contain information of each kind mentioned in s414C(7)(b)(i), (ii) or (iii), it must state which of those kinds of information it does not contain.

* **Note:** Only Quoted companies are *required* to include information on these matters in their Strategic Report (to the extent necessary for an understanding for the development, performance and position of the company), however, it is best practice for other companies also to include a reference to relevant matters in order to provide back ground and context for the other information in the Strategic Report. FRS 102 Layout Limited considers its carbon emissions reduction performance and strategy to be key to its future performance and development and, in consequence, as included a discussion of the issue in its Strategic Report.

FRS 102 Layout Limited

Strategic Report
for the year ended 31 December 2018 (Continued)

Financial review

FRS 102 Layout Limited Guidance Notes

The Strategic Report (Continued)

SOURCE

COMMENTS

Key performance indicators

The review must, to the extent necessary for an understanding of the development, performance or position of the company's business, include:

s414C(4)(a)

(i) analysis using financial key performance indicators; and

s414C(4)(b)

(ii) where appropriate, analysis using other key performance indicators, including information relating to environmental matters and employee matters.

FRS 102 Layout Limited

Strategic Report
for the year ended 31 December 2018 (Continued)

Financial review (continued)

Key performance indicators

2018

2017

FRS 102 Layout Limited Guidance Notes

The Strategic Report (Continued)

SOURCE

COMMENTS

Risks and uncertainties

s414C(2)(b)

The strategic report must contain a description of the principal risks and uncertainties facing the company.

Note on Brexit

If the directors consider that Brexit is a principal risk and uncertainty facing the business they need to assess whether narrative disclosures are required to highlight specific uncertainties and discuss any estimates which are sensitive to Brexit matters.

FRS 102 Layout Limited

Strategic Report
for the year ended 31 December 2018 (Continued)

Principal risks and uncertainties

Approval

This Strategic Report was approved by order of the Board on [date]

[Name]
Secretary

FRS 102 Layout Limited Guidance Notes

The Directors' Report: Who discloses what?

The following table summarises the Companies Act 2006 Directors' Report requirements for large and medium-sized companies (L&M), and small companies. Quoted companies are subject to additional requirements not included in this table.

Reference	Requirement	L&M	Small
s236	Qualifying indemnity provision	✓	✓
s416(1)	The names of the directors	✓	✓
s416(3)	Recommended dividend	✓ (Except those that would be small if not in an ineligible group – s415A)	✗
s418(2)	Directors' statement on information provided to auditors	✓	✓ (If audited)
s419(1)	Approval by and signature on behalf of the board	✓	✓
s419(2)	Statement of use of small companies' exemptions	✗ (Except those that would be small if not in an ineligible group – s415A)	✓
Sch 7.1A	Identification of any of the directors' report disclosures that have instead been made in the strategic report	✓	✗
Sch 7*.3(2) & 4(1) Sch 5**.2(2) & 3(1)	Information on political donations and expenditure in excess of £2,000 in aggregate for the group headed by the company	✓ (Other than wholly owned subsidiaries of UK-incorporated companies)	✓ (Other than wholly owned subsidiaries of UK-incorporated companies)
Sch 7.6(1)(a)	Financial risk management objectives and policies	✓	✗
Sch 7.6(1)(b)	Information on exposure to price risk, credit risk, liquidity risk and cash flow risk.	✓	✗
Sch 7.7(1)(a)	Post balance sheet events	✓	✗
Sch 7.7(1)(b)	Likely future developments in the business of the company	✓	✗
Sch 7.7(1)(c)	Research and development.	✓	✗

FRS 102 Layout Limited Guidance Notes

The Directors' Report: Who discloses what?

Reference	Requirement	L&M	Small
Sch 7.7(1)(d)	Existence of branches	✓	✗
Sch 7.9	Acquisition of own shares.	✗	✗
Sch 7.10(3) Sch 5.5(3)	Policy regarding the employment of disabled persons	✓ (Where the weekly average number of UK-based employees exceeds 250)	✓ (Where the weekly average number of UK-based employees exceeds 250)
Sch 7.11(3)	Description of employee involvement policies	✓ (Where the weekly average number of UK-based employees exceeds 250)	✗

* Sch 7 refers to Schedule 7 in SI 2008/410 'The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008'

** Sch 5 refers to Schedule 5 of SI 2008/409 'The Small Companies and Groups (Accounts and Directors' Report Regulations 2008'

The following section contains an example Directors' Report for a large private company. Please note, companies whose shares are listed may have to provide additional disclosures required by law or stock exchange rules; these disclosure requirements have not been considered in this guidance.

FRS 102 Layout Limited Guidance Notes

The Directors' Report

SOURCE	COMMENTS
Directors s416 (1)	The names of the persons who, at any time during the financial year, were directors of the company including any changes thereof since the end of the financial year and during the financial year.
s236	Statement of the existence, at any time during the financial year to which a directors' report relates or when the directors' report is approved, of qualifying indemnity provisions (whether made by the company or otherwise) for the benefit of one or more directors of the company or directors of an associated company.
Auditors s418 (2)	<p>A statement to the effect that, in the case of each of the persons who are directors at the time the report is approved, (a) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and (b) he 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 company's auditor is aware of that information.</p> <p>Information on the (re)appointment of auditors not a required disclosure. However, many companies choose to disclose this information voluntarily.</p>
Dividends s416 (3)	The amount (if any) that the directors recommend should be paid by way of a dividend.
Sch 7 (1A)	Identification of the information for which the company has chosen, in accordance with s414C(11) of the Companies Act, to set out in the company's strategic report which would otherwise be required by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008' to be contained in the directors' report.
Political donations Sch 7 (3)	<p>If the aggregate of any political donations made by the company to any political party or other political organisation, or to any independent election candidate, and any political expenditure exceeds £2,000 (including any donations made or expenses incurred by any of its subsidiaries). Disclose:</p> <ul style="list-style-type: none">(i) the name of each political party, other political organisation or independent election candidate to whom any such donation has been made, and(ii) the total amount given to that party, organisation or candidate by way of such donations in the financial year; and(iii) the total amount incurred by way of such political expenditure.
Sch 7 (4)	If the aggregate of any political donations made by the company to any non-EU political party disclose the amount of the contribution(s).

FRS 102 Layout Limited

Directors' Report for the year ended 31 December 2018

Directors

The directors of the company throughout the year were:

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for all of the directors of FRS 102 Layout Limited.

Auditors

All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

Dividends

Political donations

FRS 102 Layout Limited Guidance Notes

The Directors' Report (Continued)

SOURCE	COMMENTS
Financial instruments	
Sch 7 (6) (1)(a)	Unless the information is not material for an assessment of the assets, liabilities, financial position and profit or loss of the company (and any subsidiaries included in its consolidation), an indication of financial risk management objectives and policies, including the policy for hedging each major type of forecasted transaction for which hedge accounting is used.
Sch 7 (6) (1)(b)	Unless the information is not material for an assessment of the assets, liabilities, financial position and profit or loss of the company (and any subsidiaries included in its consolidation), an indication of exposure to price risk, credit risk, liquidity risk and cash flow risk.

FRS 102 Layout Limited

Directors' Report (Continued)
for the year ended 31 December 2018

Financial instruments

Credit risk

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

No further comments. See above for guidance.

FRS 102 Layout Limited

Directors' Report (Continued)
for the year ended 31 December 2018

Market risk

Cash flow interest rate risk

Foreign exchange risk

FRS 102 Layout Limited Guidance Notes

The Directors' Report (Continued)

SOURCE	COMMENTS
Miscellaneous disclosures	
Sch 7 (7) (1)(a)	Details of any important events affecting the company (and any subsidiaries included in its consolidation) since the end of the financial year.
Sch 7 (7) (1)(b)	An indication of likely future developments in the business of the company (and any subsidiaries included in its consolidation).
Sch 7 (7) (1)(c)	An indication of activities (if any) of the company (and any subsidiaries included in its consolidation) in the field of research and development.
Sch 7 (7) (1)(d)	Unless the company is an unlimited company, an indication of the existence of branches (as defined in s1046(3) of the Companies Act 2006) of the company outside of the United Kingdom.
Employment of disabled people	
Sch 7 (10) (3)	<p>A statement describing such policy as the company has applied during the financial year:</p> <ul style="list-style-type: none">(a) for giving full and fair consideration to applications for employment by the company made by disabled persons, having regard to their particular aptitudes and abilities,(b) for continuing the employment of, and for arranging appropriate training for, employees of the company who have become disabled persons during the period when they were employed by the company, and(c) otherwise for the training, career development and promotion of disabled persons employed by the company.
Employee involvement	
Sch 7 (11) (3)	<p>A statement describing the action that has been taken during the financial year to introduce, maintain or develop arrangements aimed at:</p> <ul style="list-style-type: none">(a) providing employees systematically with information on matters of concern to them as employees,(b) consulting employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests,(c) encouraging the involvement of employees in the company's performance through an employees' share scheme or by some other means,(d) achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of the company.
Approval and signing of directors' report	
s419	The directors' report must be approved by the board of directors and signed on behalf of the board by a director or the secretary of the company.

FRS 102 Layout Limited

Directors' Report (Continued)
for the year ended 31 December 2018

Post balance sheet events

Material post balance sheet events are disclosed in note 35 of the consolidated financial statements.

Likely future developments in the business of the company

Information on likely future developments in the business of the company has been included in the Strategic Report on page 1.

Research and development

Existence of branches of the company outside of the United Kingdom

The company has no branches outside of the United Kingdom.

Employment of disabled persons

Employee involvement

Approval

This Directors' Report was approved by order of the Board on [date]

[Name]
Secretary

FRS 102 Layout Limited Guidance Notes

Statement of directors' responsibilities

SOURCE

ISA (UK) 700 and
FRC/APB Bulletins

COMMENTS

Although not specifically required by financial reporting standards or company legislation a statement of directors' responsibilities is, in practice, effectively required by auditing standards. Example statements are published by the Financial Reporting Council (previously by the Auditing Practices Board).

FRS 102 Layout Limited

Statement of directors' responsibilities

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 group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

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

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

FRS 102 Layout Limited Guidance Notes

Independent auditor's report

SOURCE

COMMENTS

s475

Requirement for audited accounts

A company's annual accounts for a financial year must be audited unless the company:

- (a) is exempt from audit under:
 - section 477 (small companies),
 - section 479A (subsidiary companies), or
 - section 480 (dormant companies);or
- (b) is exempt from the requirements of this Part under section 482 (non-profit-making companies subject to public sector audit).

A company is not entitled to any such exemption unless its balance sheet contains a statement by the directors to that effect.

FRS 102 Layout Limited

Independent auditor's report

FRS 102 Layout Limited Guidance Notes

General Rules for the Financial Statements

SOURCE	COMMENTS
FRS 102 s3.16A	When applying this FRS an entity shall decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which includes the notes. An entity shall not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.
FRS 102 s3.16B	This FRS specifies information that is required to be included in the financial statements, which includes the notes. An entity need not provide a specific disclosure required by this FRS if the information resulting from that disclosure is not material. This is the case even if this FRS contains a list of specific requirements or describes them as minimum requirements, however certain disclosures required by the Act must be given regardless of materiality, such as information on subsidiary undertakings.
FRS 102 s3.17	<p>A complete set of financial statements comprises:</p> <ul style="list-style-type: none">(a) A statement of financial position (balance sheet);(b) Either<ul style="list-style-type: none">(i) A single statement of comprehensive income; or(ii) A separate income statement and separate statement of comprehensive income beginning with profit or loss;(c) A statement of changes in equity (SOCIE);(d) A statement of cash flows (exemption available for qualifying entities); and(e) Notes comprising significant accounting policies and supporting information.
FRS 102 s3.22	Other titles may be used for the financial statements other than those used in FRS 102 as long as they are not misleading
FRS 102 s3.14	Comparative information should be provided for all amounts presented in the financial statements unless FRS 102 specifically permits or requires its omission (including narrative & descriptive information when it's relevant to an understanding of the current period's financial statements).
Consolidated Income statement and statement of comprehensive income	
FRS 102 s5.5, s5.5A and Sch 1 1A(2)	<p>The statement of comprehensive income should include those items required by SI 2008/410 to be included in the profit and loss account. These accounts are presented using Format 1.</p> <p>Note that paragraph 1A(2) of Schedule 1 to the Regulations allows the company's directors to adapt one of the two profit and loss account formats provided that:</p> <ul style="list-style-type: none">(a) the information given is at least equivalent to that which would have been required by the use of such format had it not been thus adapted, and(b) the presentation is in accordance with generally accepted accounting principles or practice. <p>If an entity chooses to apply paragraph 1A(2) and adapt one of the profit and loss account formats, this must be done in accordance with the requirements set out in FRS 102 s5.5B and s5.5C.</p>
FRS 102 s5.7E	<p>An entity shall also disclose on the face of the income statement (or statement of comprehensive income if presented) an amount comprising the total of:</p> <ul style="list-style-type: none">(a) the post-tax profit or loss of discontinued operations; and(b) the post-tax gain or loss attributable to the impairment or on the disposal of the assets or disposal group(s) constituting discontinued operations. <p>A line-by-line analysis shall be presented in the income statement (or statement of comprehensive income if presented), in a column identified as relating to discontinued operations, i.e. separately from continuing operations; a total column shall also be presented.</p>

FRS 102 Layout Limited

Consolidated income statement for the year ended 31 December 2018

	Note	Continuing operations 2018 £'000	Discontinued operations 2018 £'000	Total 2018 £'000	Continuing operations 2017 £'000	Discontinued operations 2017 £'000	Total 2017 £'000
Turnover	4						
Cost of sales							
Gross profit							
Distribution costs							
Administrative expenses							
Other operating income							
Gain from changes in fair value of investment property	15						
Group operating profit	5						
Profit on disposal of operations	31						
Share of profit for the year in:							
- Joint ventures	16						
- Associated undertakings	16						
Income from other fixed asset investments	9						
Other interest receivable and similar income							
Interest payable and similar expenses	10						
Income from current asset investments	9						
Changes in fair value of investments	16, 19						
Other finance costs	11						
Profit before taxation							
Taxation on profit	12						
Profit for the financial year							

The notes on pages 24 to 70 form part of these financial statements.

FRS 102 Layout Limited Guidance Notes

Consolidated statement of comprehensive income

SOURCE

COMMENTS

These illustrative accounts are presented with a separate income statement as a matter of accounting policy choice. A single statement of comprehensive income would present all the items in the same order, but in one continuous statement.

FRS 102 s5.7F An entity shall re-present the disclosures in paragraph 5.7E for prior periods presented in the financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.

FRS 102 s5.9 An entity shall present additional line items, headings and subtotals in the statement of comprehensive income (and in the income statement, if presented), when such presentation is relevant to an understanding of the entity's financial performance.

FRS 102 s5.9B This FRS does not require disclosure of 'operating profit'. However, if an entity elects to disclose operating profit...profits or losses on the disposal of a discontinued operation shall be excluded from operating profit.

FRS 102 s5 appendix has examples of discontinued operations disclosures and presentation.

FRS 102 s3.18 and s6.4 As an alternative to presenting **a statement of comprehensive income** and a **statement of changes in equity**, an entity may present a **statement of income and retained earnings** if the only changes to equity in the periods presented arise from profit or loss, payment of dividends, corrections of prior period material errors and changes in accounting policy.

FRS 102 s5.5A In addition, an entity shall include, in the statement of comprehensive income, line items that present the following amounts for the period:

- (a) Classified by nature (excluding amounts in (b)), the components of other comprehensive income recognised as part of total comprehensive income outside profit or loss as permitted or required by this FRS. An entity may present the components of other comprehensive income either:
 - (i) net of related tax effects; or
 - (ii) before the related tax effects with one amount shown for the aggregate amount of income tax relating to those components.
- (b) Its share of the other comprehensive income of associates and jointly controlled entities accounted for by the equity method.
- (c) Total comprehensive income

FRS 102 s5.6 The following should be presented in the statement of comprehensive income:

- (a) Profit or loss for the period attributable to:
 - (i) Non-controlling interest; and
 - (ii) Owners of the parent.
- (a) Total comprehensive income for the period attributable to:
 - (i) Non-controlling interest; and
 - (ii) Owners of the parent.

Parent's own profit and loss accounts where group accounts are prepared

s408

The parent company's profit and loss account must be approved by directors but may be omitted from published and filed group annual accounts, subject to them including disclosure of the parent company's profit for the year on the company's individual balance sheet and a statement that the exemption has been taken. This exemption is taken to apply to both the statement of comprehensive income and the income statement.

FRS 102 Layout Limited

Consolidated statement of comprehensive income for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Profit for the financial year		_____	_____
Currency translation differences			
Actuarial gains/(losses) on defined benefit pension scheme	24		
Taken to cash flow hedge reserve	22		
Cash flow hedge reserve recycled to profit or loss	22		
Taxation in respect of items of other comprehensive income			
		_____	_____
Other comprehensive income for the year			
		_____	_____
Total comprehensive income for year			
		=====	=====
Profit for the financial year attributable to:			
Non-controlling interest			
Owners of the parent company			
		_____	_____
		=====	=====
Total comprehensive income attributable to:			
Non-controlling interest			
Owners of the parent company			
		_____	_____
		=====	=====

The notes on pages 24 to 70 form part of these financial statements.

FRS 102 Layout Limited Guidance Notes

Consolidated balance sheet

SOURCE	COMMENTS
FRS 102 s4.2, s4.2A and Sch 1 1A(1)	<p>The statement of financial position should be presented in accordance with the requirements of SI 2008/410 for a balance sheet. These accounts are presented using Format 1.</p> <p>Note that paragraph 1A(1) of Schedule 1 to the Regulations allows the company's directors to adapt one of the balance sheet formats to distinguish between current and non-current items in a different way provided that:</p> <ul style="list-style-type: none">(a) the information given is at least equivalent to that which would have been required by the use of such format had it not been thus adapted, and(b) the presentation is in accordance with generally accepted accounting principles or practice. <p>If an entity chooses to apply paragraph 1A(1) and adapt one of the balance sheet formats, this must be done in accordance with the requirements set out in FRS 102 s4.2A to s4.2D.</p>
FRS 102 s4.4A	<p>In instances where the amount of debtors due after more than one year is so material in the context of the total net current assets that in the absence of disclosure of the debtors due after more than one year on the face of the statement of financial position readers may misinterpret the financial statements, the amount should be disclosed on the face of the statement of financial position within current assets. In most cases it will be satisfactory to disclose the amount due after more than one year in the notes to the financial statements.</p>
FRS 102 s3.22	<p>Although FRS 102 uses the term statement of financial position, other titles may be used as long as it is not misleading. In these illustrative accounts the statement has been entitled the "Balance sheet" consistent with the terminology used in SI 2008/410.</p> <p>NB The pension liability has been presented in the balance sheet of FRS 102 Layout Limited after all other net assets, consistent with the presentation previously required by FRS 17 other than it is not presented net of related deferred tax. (Deferred tax relating to defined benefit pension deficits or surpluses is presented with other deferred tax balances.)</p> <p>Such a presentation is potentially supported by legal advice received by the Accounting Standards Board when developing FRS 17 that such a presentation would not contravene company legislation.</p> <p>However, it should be noted that neither FRS 102 or SI 2008/410 explicitly require or permit such presentation and practice under FRS 102 may develop differently such that net pension deficits are presented within "Provisions for liabilities" and net pension surpluses with other assets.</p>
Sch 1 (4.2) & (4.3)	<p>FRS 102 Layout Limited has taken advantage of the following regulation:</p> <p>4(2) The directors may combine items to which Arabic (i.e. 1, 2, 3...) numbers are given in any of the formats in section B if-</p> <ul style="list-style-type: none">(a) Their individual amounts are not material to assessing the state of affairs or profit or loss of the company for the financial year in question, or(b) the combination facilitates that assessment. <p>4(3) Where sub-paragraph 2b) applies, the individual amounts of any items which have been combined must be disclosed in a note to the accounts.</p>

FRS 102 Layout Limited

Consolidated balance sheet at 31 December 2018

	Note	2018 £'000	2018 £'000	2017 £'000 (as restated – see note 3)	2017 £'000
Fixed assets					
Intangible assets	14				
Tangible assets	15				
Investments	16				
<hr/>					
Current assets					
Stocks	17				
Debtors	18				
Investments	19				
Cash at bank and in hand					
<hr/>					
Creditors: amounts falling due within one year	20				
<hr/>					
Net current assets					
<hr/>					
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	21				
Provisions for liabilities	23				
<hr/>					
Net assets excluding pension liability					
Pension liability	24				
<hr/>					
Net assets					
<hr/>					

The notes on pages 24 to 70 form part of these financial statements.

FRS 102 Layout Limited Guidance Notes

Consolidated balance sheet

SOURCE	COMMENTS
Goodwill FRS 102 s19.24	<p>Note that where a group has negative goodwill (excess) they will need to present positive goodwill separately on the face of the statement of financial position (rather than within intangibles).</p> <p>The negative goodwill is recognised and separately disclosed on the face of the statement of financial position, immediately below goodwill, and followed by a subtotal of the net amount of goodwill and the excess.</p> <p>(FRS 102 Layout Limited has no “negative goodwill”)</p>
Non-controlling interest FRS 102 s9.20	<p>The consolidated balance sheet should show separately the aggregate of the capital and reserves attributable to non-controlling interests at the end of the period.</p>
Signatures s414	<p>Approval and signing of accounts</p> <ol style="list-style-type: none">1) A company's annual accounts must be approved by the board of directors and signed on behalf of the board by a director of the company.2) The signature must be on the company's balance sheet. <p>In practice both company and group balance sheets are usually signed.</p>
FRS 102 s32.9	<p>An entity shall disclose the date the financial statements were authorised for issue and who gave that authorisation.</p>
Registered number S396 and s397	<p>The company's registered number must be stated in the accounts. It is BDO policy to include the registered number on the front cover and on the balance sheet.</p>

FRS 102 Layout Limited

Consolidated balance sheet
at 31 December 2018 (*continued*)

	Note	2018 £'000	2017 £'000 (as restated – see note 3)
Capital and reserves			
Called up share capital	26		
Share premium account			
Capital redemption reserve			
ESOP share reserve	27		
Convertible debt option reserve			
Cash flow hedge reserve			
Merger reserve			
Profit and loss account			
		_____	_____
Equity attributable to owners of the parent company			
Non-controlling interests			
		_____	_____
		=====	=====

The financial statements were approved by the Board of Directors and authorised for issue on [date].

[Name]
Director

FRS 102 Layout Limited registered number

The notes on pages 24 to 70 form part of these financial statements.

FRS 102 Layout Limited Guidance Notes

Consolidated statement of changes in equity

SOURCE	COMMENTS
FRS 102 s6.3	<p>An entity shall present a statement of changes in equity showing in the statement:</p> <ol style="list-style-type: none">total comprehensive income for the period, showing separately the total amounts attributable to owners of the parent and to non-controlling interests;for each component of equity, the effects of retrospective application or retrospective restatement recognised; andfor each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing changes resulting from:<ol style="list-style-type: none">profit or loss;other comprehensive income; andthe amounts of investments by, and dividends and other distributions to, owners, showing separately issues of shares, purchase of own share transactions, dividends and other distributions to owners, and changes in ownership interests in subsidiaries that do not result in a loss of control.
FRS 102 s6.3A	<p>For each component of equity, an entity shall present, either in the statement of changes in equity or in the notes, an analysis of other comprehensive income by item.</p>

This statement satisfies the disclosure requirements of SI 2008/410 in respect of reserves

Sch 1 (59)	<p>Give a reconciliation of all movements on reserves, in tabular form, showing:</p> <ul style="list-style-type: none">balance brought forward;transfers to and from reserves;source and application respectively of such transfers; andbalance carried forward.
Sch 1 (35)(2)	<p>Any revaluation reserve (for example, if a policy of revaluing tangible fixed assets other than investment property was followed) must be shown in the company's balance sheet under a separate sub-heading in the position given for the "revaluation reserve" in format 1 or 2, but need not be shown under that name.</p> <p><i>NB no such reserve is presented in these financial statements as FRS 102 Layout Limited measures its tangible fixed assets other than investment property at historic cost less accumulated depreciations and impairments.</i></p>
Sch 6 (14)	<p>State the cumulative amount of goodwill in relation to acquisitions in previous years which has been eliminated against reserves. Show the figure net of goodwill attributable to businesses disposed of before the balance sheet date.</p> <p>Any negative goodwill should be disclosed separately.</p> <p><i>FRS 102 Layout Limited has no such disclosure to make</i></p>
Sch 1 (43)	<p>State:</p> <ol style="list-style-type: none">any amount set aside or proposed to be set aside to, or withdrawn or proposed to be withdrawn from, reserves,the aggregate amount of dividends paid in the financial year (other than those for which a liability existed at the immediately preceding balance sheet date),the aggregate amount of dividends that the company is liable to pay at the balance sheet date, andthe aggregate amount of dividends that are proposed before the date of approval of the accounts, and not otherwise disclosed under sub-paragraph (b) or (c). (see note 13)

FRS 102 Layout Limited
Consolidated statement of changes in equity
For the year ended 31 December 2018

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	ESOP share reserve £'000	Convertible debt option reserve £'000	Cash flow hedge reserve £'000	Merger reserve £'000	Profit and loss account £'000	Equity attributable to owners of the parent company £'000	Non-controlling interests £'000	Total equity £'000
At 1 January 2018 (as previously stated)											
Prior year adjustment (note 3)											
1 January 2018 (as restated)											
Comprehensive income for the year											
Profit for the year											
Currency translation differences											
Actuarial gains on pension scheme											
Hedge effective portion of change in fair value of designated hedging instrument											
Cash flow hedge reserve recycled to profit or loss											
Taxation in respect of other comprehensive income											
Other comprehensive income for the year											
Total comprehensive income for the year											
Contributions by and distributions to owners											
Dividends											
Conversion of loan stock											
Share based payment credit											
Purchase of shares by ESOP											
Exercise of share options											
Total contributions by and distributions to owners											
31 December 2018											

The notes on pages 24 to 70 form part of these financial statements.

FRS 102 Layout Limited Guidance Notes

Consolidated statement of changes in equity

SOURCE	COMMENTS
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	No further comments. See above for guidance.
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FRS 102 Layout Limited
Consolidated statement of changes in equity
For the year ended 31 December 2017

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	ESOP share reserve £'000	Convertible debt option reserve £'000	Cash flow hedge reserve £'000	Merger reserve £'000	Profit and loss account £'000	Equity attributable to owners of the parent company £'000	Non-controlling interests £'000	Total equity £'000
At 1 January 2017 (as previously stated)											
Prior year adjustment (note 3)											
1 January 2017 (as restated)											
Comprehensive income for the year											
Profit for the year											
Currency translation differences											
Actuarial losses on pension scheme											
Taxation in respect of other comprehensive income											
Other comprehensive income for the year											
Total comprehensive income for the year											
Contributions by and distributions to owners											
Dividends											
Share based payment credit											
Purchase of shares by ESOP											
Total contributions by and distributions to owners											
31 December 2017 (as restated)											

The notes on pages 24 to 70 form part of these financial statements.

FRS 102 Layout Limited Guidance Notes

Consolidated statement of cash flows

SOURCE	COMMENTS
FRS 102 s7.1 & s7.2	The statement of cash flows provides information about the changes in cash <i>and</i> cash equivalents, being short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.
FRS 102 s7.3	The statement should list the inflows and outflows of cash classified under the following standard headings: <ul style="list-style-type: none">• Operating activities• Investing activities• Financing activities
FRS 102 s7.7	An entity shall present cash flows from operating activities using either: (a) the indirect method, whereby a measure of profit or loss disclosed in the statement of comprehensive income (or separate income statement if presented) is adjusted for the effects of non-cash transactions, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows; or (b) the direct method, whereby major classes of gross receipts and gross cash payments are disclosed. <i>A Layout Limited has adopted the indirect method of presentation</i>
FRS 102 s7.8	Under the indirect method, an entity shall present a reconciliation determining the net cash flow from operating activities by adjusting a measure of profit or loss disclosed in the statement of comprehensive income (or separate income statement if presented) for the effects of: (a) changes during the period in inventories and operating receivables and payables; (b) non-cash items such as depreciation, provisions, deferred tax, accrued income (expenses) not yet received (paid) in cash, unrealised foreign currency gains and losses, undistributed profits of associates, and non-controlling interests; and (c) all other items for which the cash effects relate to investing or financing
FRS 102 s7.18	An entity shall exclude from the statement of cash flows investing and financing transactions that do not require the use of cash or cash equivalents and shall disclose such transactions elsewhere in the financial statements in a way that provides all the relevant information about those activities.
FRS 102 s1.8 & s1.12	A qualifying entity may take advantage of an exemption from presenting its own statement of cash flows. A qualifying entity is a member of a group (including the parent) where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view (of the assets, liabilities, financial position and profit or loss) and that member is included in the consolidation.
FRS 102 s7.20	An entity shall present the components of cash and cash equivalents and a reconciliation of the amounts presented in the statement of cash flows to the equivalent items presented in the statement of financial position (balance sheet). The reconciliation is not needed if the amount presented in the statement of cash flows is identical to the amount similarly described in the statement of financial position.
FRS 102 s7.21	An entity shall disclose, together with a commentary by management, the amount of significant cash and cash equivalents held by the entity that are not available for use by the entity. Reasons might include foreign exchange controls or legal restrictions.
FRS 102 s7.22	FRS 102 requires a “net debt reconciliation”; it is presented in note 35.

FRS 102 Layout Limited

Consolidated statement of cash flows for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Cash flows from operating activities			
Profit for the financial year			
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets	14/15		
Share of profit for the year of equity accounted investments	16		
Net fair value losses/(gains) recognised in profit or loss	15/16/19		
Net interest payable/(receivable)			
Dividend income from fixed and current asset investments	9		
Taxation expense	12		
Difference between net pension expense and cash contribution			
Share based payment charges	29		
Increase in trade and other debtors			
Decrease / (increase) in stocks			
Decrease in trade and other creditors			
Increase / (decrease) in provisions			
Foreign exchange			
Profit on disposal			
Cash from operations			
Interest paid			
Taxation paid			
Net cash generated from operating activities			
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets	15		
Purchases of tangible fixed assets	15		
Purchases of intangible assets	14		
Receipt of government grant			
Interest received			
Dividends received on fixed and current asset investments			
Sale of business operations	31		
Cash disposed of with business operation	31		
Purchase of subsidiary undertaking	30		
Cash acquired with subsidiary undertaking	30		
Investment in associated undertaking	16		
Purchase of current asset investments	19		
Sale of current asset investments	19		
Net cash from investing activities			
Cash flows from financing activities			
Exercise of share options	26		
Capital element of lease repaid	21		
Equity dividends paid	13		
New bank loans	21		
Debt issue costs incurred	21		
Purchase of own shares by ESOP	27		
Net cash from / (used in) financing activities			
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year			
Foreign exchange gains and losses			
Cash and cash equivalents at end of year			
Cash and cash equivalents comprise:			
Cash at bank and in hand			
Bank overdrafts	20		

The notes on page 24 to 70 form part of these financial statements.

FRS 102 Layout Limited Guidance Notes

Company balance sheet

SOURCE	COMMENTS
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Parent company profit

s408

Where a parent company omits its own profit and loss account in its annual report that includes its consolidated financial statements it must disclose:

- On the parent company's individual balance sheet, the company profit or loss for the financial year determined in accordance with this Act; and
- That this exemption is being applied. [This is given on the balance sheet in FRS 102 Layout Limited but can also be given in a note to the financial statements]

General

FRS 102 s3.22

Although FRS 102 uses the term statement of financial position, other titles may be used as long as it is not misleading. In these illustrative accounts the statement has been entitled the "Balance sheet" consistent with the terminology used in SI 2008/410.

Signatures

s414

Approval and signing of accounts

- (1) A company's annual accounts must be approved by the board of directors and signed on behalf of the board by a director of the company.
- (2) The signature must be on the company's balance sheet.

In practice both company and group balance sheets are usually signed.

FRS 102 s32.9

An entity shall disclose the date when the financial statements were authorised for issue and who gave that authorisation.

FRS 102 Layout Limited

Company balance sheet at 31 December 2018

	Note	2018 £'000	2018 £'000	2017 £'000 (as restated – see note 3)	2017 £'000
Fixed assets					
Tangible assets	15				
Investments	16				
Current assets					
Stocks	17				
Debtors	18				
Investments	19				
Cash at bank and in hand					
Creditors: amounts falling due within one year					
	20				
Net current assets					
Total assets less current liabilities					
Creditors: amounts falling due after more than one year					
	21				
Provision for liabilities					
	23				
Net assets					
Capital and reserves					
Called up share capital	26				
Share premium account					
Capital redemption reserve					
ESOP share reserve	27				
Convertible debt option reserve					
Cash flow hedge reserve					
Profit and loss account					

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit of the company for the year was £ (2017 - £).

The financial statements were approved by the Board of Directors and authorised for issue on [date]

[Name]
Director

The notes on pages 24 to 70 form part of these financial statements.

FRS 102 Layout Limited Guidance Notes

Company statement of changes in equity

SOURCE	COMMENTS
FRS 102 s6.3	<p>An entity shall present a statement of changes in equity showing in the statement:</p> <ul style="list-style-type: none">(a) total comprehensive income for the period, showing separately the total amounts attributable to owners of the parent and to non-controlling interests;(b) for each component of equity, the effects of retrospective application or retrospective restatement recognised; and(c) for each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing changes resulting from:<ul style="list-style-type: none">(i) profit or loss;(ii) other comprehensive income; and(iii) the amounts of investments by, and dividends and other distributions to, owners, showing separately issues of shares, purchase of own share transactions, dividends and other distributions to owners, and changes in ownership interests in subsidiaries that do not result in a loss of control.
FRS 102 s6.3A	<p>For each component of equity, an entity shall present, either in the statement of changes in equity or in the notes, an analysis of other comprehensive income by item.</p>

Although there is no requirement to disclose distributable profits, an entity may consider transferring non-distributable profits arising from revaluations that have been recognised in profit or loss (such as investment property revaluations and some financial instrument revaluations) from the profit and loss account to a separate reserve or separately disclosing the amount of distributable profits at the reporting date.

This statement satisfies the disclosure requirements of SI 2008/410 in respect of reserves

Sch 1 (59)	<p>Give a reconciliation of all movements on reserves, in tabular form, showing:</p> <ul style="list-style-type: none">• balance brought forward;• transfers to and from reserves;• source and application respectively of such transfers; and• balance carried forward.
Sch 1 (35)(2)	<p>Any revaluation reserve (for example, if a policy of revaluing tangible fixed assets other than investment property was followed) must be shown in the company's balance sheet under a separate sub-heading in the position given for the "revaluation reserve" in format 1 or 2, but need not be shown under that name.</p> <p><i>NB no such reserve is presented in these financial statements as FRS 102 Layout Limited measures its tangible fixed assets other than investment property at historic cost less accumulated depreciations and impairments.</i></p>
Sch 1 (43)	<p>State:</p> <ul style="list-style-type: none">(a) any amount set aside or proposed to be set aside to, or withdrawn or proposed to be withdrawn from, reserves,(b) the aggregate amount of dividends paid in the financial year (other than those for which a liability existed at the immediately preceding balance sheet date),(c) the aggregate amount of dividends that the company is liable to pay at the balance sheet date, and(d) the aggregate amount of dividends that are proposed before the date of approval of the accounts, and not otherwise disclosed under sub-paragraph (b) or (c). (see note 13)

FRS 102 Layout Limited
Company statement of changes in equity
For the year ended 31 December 2018

	Share capital	Share premium	Capital redemption reserve	ESOP share reserve	Convertible debt option reserve	Cash flow hedge reserve	Profit and loss account	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2018 (as previously stated)								
Prior year adjustment (note 3)								
Accounting policy change (note 3)								
1 January 2018 (as restated)								
Comprehensive income for the year								
Profit for the year								
Hedge effective portion of change in fair value of designated hedging instrument								
Cash flow hedge reserve recycled to profit or loss								
Taxation in respect of other comprehensive income								
Other comprehensive income for the year								
Total comprehensive income for the year								
Contributions by and distributions to owners								
Dividends								
Conversion of loan stock								
Share based payment credit								
Purchase of shares by ESOP								
Exercise of share options								
Total contributions by and distributions to owners								
31 December 2018								

The notes on pages 24 to 70 form part of these financial statements.

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

No further comments. See above for guidance.

FRS 102 Layout Limited
Company statement of changes in equity
For the year ended 31 December 2017

	Share capital	Share premium	Capital redemption reserve	ESOP share reserve	Convertible debt option reserve	Cash flow hedge reserve	Profit and loss account	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2017 (as previously stated)								
Prior year adjustment (note 3)								
Accounting policy change (note 3)								
1 January 2017 (as restated)								
Comprehensive income for the year								
Profit and total comprehensive income for the year								
Contributions by and distributions to owners								
Dividends								
Share based payment credit								
Purchase of shares by ESOP								
Total contributions by and distributions to owners								
31 December 2017 (as restated)								

The notes on pages 24 to 70 form part of these financial statements.

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

No further comments. See above for guidance.

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018

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FRS 102 Layout Limited Guidance Notes

The accounting policies set out in these financial statements are included merely for illustrative purposes and should not be considered applicable to any specific case. Accounting policies should be drafted on a case by case basis so as to fully explain the specific significant policies applied.

SOURCE	COMMENTS
Accounting policies FRS 102 s3.24, s396(A1) and s404(A1)	An entity shall disclose in the notes the legal form of the entity, its country of incorporation and the address of its registered office (and principal place of business if different), and a description of the nature of the entity's operations and its principal activities unless this is disclosed in the business review (or similar statement) accompanying the financial statements. It must also state within the accounts the company's registered number, the part of the UK in which it is registered and where appropriate, the fact that the company is being wound up. [FRS 102 Layout Limited shows its number on the balance sheet].
FRS 102 s3.3	An entity whose financial statements comply with this FRS shall make an explicit and unreserved statement of such compliance in the notes. Financial statements shall not be described as complying with this FRS unless they comply with all the requirements of this FRS.
FRS 103 s1.12	NOTE RE-FRS 103: An entity whose financial statements comply with FRS 103 shall, in addition to its statement of compliance with FRS 102 make an explicit and unreserved statement of compliance with FRS 103 in the notes to the financial statements. <i>FRS 102 Layout Limited has no such disclosure to make</i>
FRS 102 s1.18	...An entity shall apply the amendments to this FRS as set out in the <i>Triennial review 2017 amendments</i> ...for accounting periods beginning on or after 1 January 2019... Early application is permitted provided that all the amendments to this FRS are applied at the same time.. If an entity applies the Triennial review 2017 amendments...before 1 January 2019 it shall disclose that fact...
FRS 102 s8.5	An entity shall disclose its significant accounting policies comprising: the measurement basis (or bases) used in preparing the financial statements and the other accounting policies used that are relevant to an understanding of the financial statements.
Reduced disclosures FRS 102 s1.11	A qualifying entity (for the purposes of FRS 102) may take advantage of the disclosure exemptions in FRS 102 s1.12, in accordance with FRS 102 s1.8 to 1.10, provided that: (a) [Deleted] (b) It otherwise applies the recognition, measurement and disclosure requirements of FRS 102. (c) It discloses in the notes to its financial statements: (i) a brief narrative summary of the disclosure exemptions adopted; and (ii) the name of the parent of the group in whose consolidated financial statements its financial statements are consolidated, and from where those financial statements may be obtained.
Basis of consolidation FRS 102 s3.23 (b)	It shall be clearly identified if the financial statements cover the individual entity or a group of entities.

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018

1 Accounting policies [*TAILOR AS APPROPRIATE TO THE ENTITY'S CIRCUMSTANCES*]

FRS 102 Layout Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 2).

The Group and Company have adopted Amendments to FRS 102 – Triennial Review 2017 in these financial statements. Information on the effect of the adoption of these amendments is provided in note 3.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No cash flow statement or net debt reconciliation has been presented for the parent company;
- Disclosures in respect of the parent company's income, expense, net gains and net losses on financial instruments measured at amortised cost have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- Disclosures in respect of the parent company's share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

[Note that the specific disclosure exemptions taken, particularly in relation to financial instruments, should be tailored to the individual entity – the above does not represent a complete list]

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of FRS 102 Layout Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 January 2014. Therefore, the group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

FRS 102 Layout Limited Guidance Notes

The accounting policies set out in these financial statements are included merely for illustrative purposes and should not be considered applicable to any specific case. Accounting policies should be drafted on a case by case basis so as to fully explain the specific significant policies applied.

SOURCE

COMMENTS

Accounting policies

FRS 102 s3.5

When an entity departs from a requirement of this FRS or from a requirement of applicable legislation for 'true and fair' reasons, it shall disclose the following:

- (a) that management has concluded that the financial statements give a true and fair view of the entity's financial position, financial performance and cash flows;
- (b) that it has complied with the FRS or applicable legislation, except that it has departed from a particular requirement of the FRS or applicable legislation to the extent necessary to give a true and fair view; and
- (c) the nature and effect of the departure, including the treatment that the FRS or applicable legislation would require, the reason why that treatment would be so misleading in the circumstances that it would conflict with the objective of financial statements and the treatment adopted.

FRS 102 s3.6

When an entity has departed from a requirement of this FRS or applicable legislation in a prior period, and that departure affects the amounts recognised in the financial statements for the current period, it shall make the disclosures set out in paragraph 3.5(c).

Going concern

FRS 102 s3.9

When management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern, the entity shall disclose those uncertainties. When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern.

Changes in accounting policies

FRS 102 s10.14

When a voluntary change in accounting policy has an effect on the current period or any prior period, an entity shall disclose the following:

- (a) the nature of the change in accounting policy;
- (b) the reasons why applying the new accounting policy provides reliable and more relevant information;
- (c) to the extent practicable, the amount of the adjustment for each financial statement line item affected, shown separately:
 - (i) for the current period;
 - (ii) for each prior period presented; and
 - (iii) in the aggregate for periods before those presented; and
- (d) an explanation if it is impracticable to determine the amounts to be disclosed in (c) above.

Financial statements of subsequent periods need not repeat these disclosures.

FRS 102 s6.3

The SOCIE must show for each component of equity, the effects of retrospective application or retrospective restatement recognised.

Notes to the accounts

Sch 1 (42)(2)

The notes must be presented in the order in which, where relevant, the items to which they relate are presented in the balance sheet and in the profit and loss account.

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

1 Accounting policies (*continued*)

Associates and joint ventures

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

An entity is treated as a joint venture where the group is party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control.

In the consolidated accounts, interests in associated undertakings and joint ventures are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate, or joint venture. The consolidated statement of comprehensive income includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the group. In the consolidated balance sheet, the interests in associated undertakings and joint ventures are shown as the group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is included within the equity method accounted figure in the financial statements as goodwill. This goodwill is amortised over years. Where there are indicators of impairment, the investment as a whole is tested for impairment.

Revenue

Revenue from the sales of goods is recognised when the Group has transferred the significant risks and rewards of ownership to the buyer and it is probable that the Group will receive the previously agreed upon payment. These criteria are considered to be met when the goods are delivered to the buyer. Where the buyer has a right of return, the Group defers recognition of revenue until the right to return has lapsed. However, where high volumes of sales are made to established wholesale customers, revenue is recognised in the period where the goods are delivered less an appropriate provision for returns based on past experience.

Revenue from consultancy services is recognised by reference to the stage of completion of the contract determined by the value of the services provided at the balance sheet date as a proportion of the total value of the engagement. Where the amount of revenue is contingent on future events, this is only recognised where the amount of revenue can be measured reliably and it is probable that the economic benefits will be received. When this cannot be estimated reliably, revenue is only recognised to the value of the expenses that it is considered probable will be recovered, with a "catch-up" element of revenue recognised based on stage of completion once a reliable estimate can be made. Consultancy services provided to the client which at the balance sheet date have not been billed have been recognised as revenue and are included in debtors as accrued income.

Tangible fixed assets

Tangible fixed assets, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

FRS 102 Layout Limited Guidance Notes

The accounting policies set out in these financial statements are included merely for illustrative purposes and should not be considered applicable to any specific case. Accounting policies should be drafted on a case by case basis so as to fully explain the specific significant policies applied.

SOURCE

COMMENTS

Development costs

s844 and TECH
02/17BL:2.38

Where development costs are shown or included as an asset in a company's accounts, any amount shown or included in respect of those costs is treated as a realised loss unless the directors decide that there are special circumstances for not doing so. This exception would be the case if the costs are carried forward in accordance with applicable accounting standards. The justification must be disclosed in the notes to the accounts.

Property, plant and equipment and investment properties rented to group entities

FRS 102 s17.30A

The following disclosures are relevant to an entity that chooses to measure investment properties rented to another group entity under the cost model in this section, as permitted by paragraph 16.4A(b)

FRS 102 s17.31 (a)
to (c)

An entity shall disclose the following for each class of property, plant and equipment:

- (a) the measurement bases used for determining the gross carrying amount
- (b) the depreciation methods used
- (c) the useful lives or the depreciation rates used

[Note that when an entity first applies the Triennial Review 2017 amendments, as an exception to retrospective application it may elect to measure investment property rented to another group entity, which is measured on an ongoing basis at cost less accumulated depreciation and impairment, at its fair value and use that fair value as its deemed cost at the date of transition (FRS 102 s1.19). A Layout Limited has not applied this election and has retrospectively restated investment property.]

Valuation of investments

FRS 102 s11.48A (b)

For financial instruments at fair value through profit or loss that are not financial liabilities held as part of a trading portfolio and are not derivatives, disclose the method used to establish the amount of change attributable to changes in own credit risk, or, if the change cannot be measured reliably or is not material, that fact.

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

1 Accounting policies (*continued*)

Depreciation

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Freehold buildings - showrooms	-
Freehold buildings – other	-
Leasehold land and buildings	-
Plant, machinery and vehicles	-
Fixtures, fittings, tools and equipment	-
Computers	-

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income or losses' in the statement of comprehensive income.

Previously the group depreciated its computer equipment and related assets over a period of years. During the year the directors reassessed the useful economic life of these assets to years. This has resulted in an additional depreciation charge for the year of £ . Computers are included within fixtures, fittings, tools and equipment.

Website development costs

Where group companies' websites are expected to generate future revenues in excess of the costs of developing those websites and all other capitalisation criteria are met, expenditure on the functionality of the website is capitalised and treated as an intangible fixed asset. Expenditure incurred on maintaining websites and expenditure incurred on developing websites used only for advertising and promotional purposes are written off as incurred. Development costs that are capitalised in accordance with the requirements of FRS 102 are not treated, for dividend purposes, as a realised loss.

Investment properties

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

In the company's individual financial statements, investment properties rented to other group companies are classified as property, plant and equipment (land and buildings) and held at historical cost less depreciation and impairment. Depreciation is charged on a straight line basis over the estimated useful life of years.

Valuation of investments

In the company's individual accounts, investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted company shares, which have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

FRS 102 Layout Limited Guidance Notes

The accounting policies set out in these financial statements are included merely for illustrative purposes and should not be considered applicable to any specific case. Accounting policies should be drafted on a case by case basis so as to fully explain the specific significant policies applied.

SOURCE

COMMENTS

Impairment

FRS 102 s27.28

An impairment loss recognised for goodwill shall not be reversed in a subsequent period.

Government grants

FRS 102 s24.6

An entity shall disclose the following:

- (a) The accounting policy adopted for grants;
- (b) The nature and amounts of grants recognised in the financial statements;
- (c) Unfulfilled conditions and other contingencies attaching to grants that have been recognised in income; and
- (d) An indication of other forms of government assistance from which the entity has directly benefited.

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

1 Accounting policies (*continued*)

Valuation of investments (continued)

Investments in listed company shares, which have been classified as current asset investments, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

The changes in fair value attributable to change in own credit risk are not material.

Hedge accounting

The group has entered into variable to fixed rate interest swaps to manage its exposure to interest rate cash flow risk on its variable rate debt. These derivatives are measured at fair value at each reporting date. To the extent the hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. This amount is reclassified from the cash flow hedge reserve to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss. Any ineffective portions of those movements are recognised in profit or loss for the period.

Impairment of fixed assets and goodwill

Fixed assets and goodwill are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased, except for goodwill where impairment losses previously recognised are not reversed.

Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure. The group has not directly benefited from any other forms of government assistance.

Employee share ownership plan

The cost of the company's shares held by the ESOP is deducted from equity in the company and group balance sheets under the heading ESOP share reserve. Any gain or loss on disposal of these shares by the ESOP is also recognised directly in equity. Other assets and liabilities of the ESOP (including cash and borrowings) are recognised as assets and liabilities of the company.

Stocks

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

FRS 102 Layout Limited Guidance Notes

The accounting policies set out in these financial statements are included merely for illustrative purposes and should not be considered applicable to any specific case. Accounting policies should be drafted on a case by case basis so as to fully explain the specific significant policies applied.

SOURCE	COMMENTS
Foreign Currency Sch 1 (70)	Where any sums originally denominated in foreign currencies have been brought into account under any items shown in the balance sheet format or profit and loss account formats, the basis on which those sums have been translated into sterling (or the currency in which the accounts are drawn up) must be stated.
FRS 102 s30.26	An entity shall disclose the currency in which the financial statements are presented. When the presentation currency is different from the functional currency, an entity shall state that fact and shall disclose the functional currency and the reason for using a different presentation currency.
FRS 102 s30.27	When there is a change in the functional currency of either the reporting entity or a significant foreign operation, the entity shall disclose that fact and the reason for the change.

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

1 Accounting policies (*continued*)

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'sterling', which is the company's functional and the group's presentation currency.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date, including any goodwill in relation to that entity. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

(b) Transactions and balances

Foreign currency transactions are translated into the group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income or expense'.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

Convertible debt

The proceeds received on issue of the group's convertible debt are allocated into their liability and equity components and presented separately in the balance sheet.

The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert.

The difference between the net proceeds of the convertible debt and the amount allocated to the debt component is credited direct to equity and is not subsequently re-measured. On conversion, the debt and equity elements are credited to share capital and share premium as appropriate.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

FRS 102 Layout Limited Guidance Notes

The accounting policies set out in these financial statements are included merely for illustrative purposes and should not be considered applicable to any specific case. Accounting policies should be drafted on a case by case basis so as to fully explain the specific significant policies applied.

SOURCE	COMMENTS
Goodwill	
FRS 102 s19.23(a) FRS 102 s19.25(g) Sch 1 (22) (3)	If, in exceptional cases, an entity is unable to make a reliable estimate of the useful life of goodwill, the life shall not exceed 10 years. There must be disclosed in a note to the accounts the period chosen and the reasons for choosing that period.
FRS 102 s18.28A	When, as part of a business combination, an acquirer chooses to recognise intangible assets separately from goodwill that meet condition (a) and only one of (b) or (c) in paragraph 18.8, the acquirer shall disclose the nature of those intangible assets and the reason why they have been separated from goodwill.
FRS 102 B18.10	The FRC considers that examples of intangible assets that would normally satisfy all three criteria include licences, copyrights, trademarks, internet domain names, patented technology and legally protected trade secrets, and examples of intangible assets that would not normally satisfy all three criteria include customer lists, customer relationships and unprotected trade secrets (such as secret recipes or formulas) as no contractual or legal right exists that would give rise to expected future economic benefits.
Amortisation	
FRS 102 s18.27(d)	An entity shall disclose the following for each class of intangible assets: The line item(s) in the statement of comprehensive income (or in the income statement, if presented) in which any amortisation of intangible assets is included.
Sch 1 (22) (2) & (4) FRS 102 s18.20	Where in exceptional cases the useful life of intangible assets cannot be reliably estimated, such assets must be written off over a period chosen by the directors, which shall not exceed 10 years. In such cases, the period chosen by the directors and the reasons for choosing that period must be disclosed in a note to the accounts.
Intangibles assets	
Sch 1 (21) (2)	If any amount is included in the balance sheet in respect of development costs, the note on accounting policies (see paragraph 44 of this Schedule) must include the following information – (a) the period over which the amount of those costs originally capitalised is being or is to be written off, and (b) the reasons for capitalising the development costs in question.

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

1 Accounting policies (*continued*)

Intangible assets

a) Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'.

For business combinations occurring after 1 January 2018, intangible assets acquired are recognised separately from goodwill only when they are separable from the acquired entity and give rise to other contractual/legal rights. Prior to 1 January 2018 intangible assets acquired were recognised separately from goodwill when they were separable from the acquired entity or gave rise to other contractual/legal rights.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. If a reliable estimate cannot be made, the useful life of goodwill is presumed to be years. Goodwill is being amortised to 'administrative expenses' over periods ranging from to years.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

b) Research and development costs

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised to 'administrative expenses' on a straight line basis over their expected useful economic lives, which range from to years.

The expected useful economic life of development costs are estimated based on business plans which set out the development plan and time to market for the associated project.

If it is not possible to distinguish between the research phase and the development phase of an internal project the expenditure is treated as if it were all incurred in the research phase only.

FRS 102 Layout Limited Guidance Notes

The accounting policies set out in these financial statements are included merely for illustrative purposes and should not be considered applicable to any specific case. Accounting policies should be drafted on a case by case basis so as to fully explain the specific significant policies applied.

SOURCE

COMMENTS

Tax treatment

Sch 1 (35) (6)

Sch 1 (41) (2)

The notes must disclose the treatment for taxation purposes of amounts credited or debited to the:

- Revaluation reserve
- Fair value reserve (includes cash flow hedge reserve)

As this differs depending on specifics – the policy is left open ended on the following page.

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

1 Accounting policies (*continued*)

Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Amounts charged or credited to the cash flow hedge reserve are treated for tax purposes as [insert details].

Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the profit and loss account is charged with the fair value of goods and services received.

FRS 102 Layout Limited Guidance Notes

The accounting policies set out in these financial statements are included merely for illustrative purposes and should not be considered applicable to any specific case. Accounting policies should be drafted on a case by case basis so as to fully explain the specific significant policies applied.

SOURCE

COMMENTS

No further comments – see above for guidance

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

1 Accounting policies (*continued*)

Leased assets: Lessor

Where assets are leased to a third party and give rights approximating to ownership (finance leases), the assets are treated as if they have been sold outright. The amount removed from the fixed assets is the net book value on disposal of the asset. The profit on disposal, being the excess of the present value of the minimum lease payments over net book value is credited to profit or loss.

Finance lease payments are analysed between capital and interest components so that the interest element of the payment is credited to profit or loss over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts owed by the lessee.

All other leases are treated as operating leases. Their annual rentals are credited to profit or loss on a straight-line basis over the term of the lease.

On transition to FRS 102, the group took advantage of the optional transition exemption available which allowed lease incentives on leases entered into before the date of transition to the standard (1 January 2014) to continue to be charged over the shorter period to the first market rent review rather than the term of the lease.

For leases entered into on or after 1 January 2014, reverse premiums and similar incentives granted to enter into lease agreements are released to profit or loss over the term of the lease.

Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Finance lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

On transition to FRS 102, the group took advantage of the optional transition exemption available which allowed lease incentives on leases entered into before the date of transition to the standard (1 January 2014) to continue to be charged over the shorter period to the first market rent review rather than the term of lease.

For leases entered into on or after 1 January 2014, reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Where the Group has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued as the 'wear and tear' occurs.

FRS 102 Layout Limited Guidance Notes

The accounting policies set out in these financial statements are included merely for illustrative purposes and should not be considered applicable to any specific case. Accounting policies should be drafted on a case by case basis so as to fully explain the specific significant policies applied.

SOURCE

COMMENTS

No further comments – see above for guidance

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

1 Accounting policies (*continued*)

Sale and leaseback

When a sale and leaseback transaction results in a finance lease, no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are deferred and presented as a liability and subsequently measured at amortised cost using the effective interest method.

When a sale and leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value, any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately unless the loss is compensated for by future lease payments at below market price. In that case any such loss is amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is amortised over the period for which the asset is expected to be used.

Onerous leases

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease. This is released over the remaining lease term.

Pension costs

Contributions to the group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

Some of the subsidiaries of the group jointly operate a group defined benefit pension plan. There is a stated policy for charging the net defined benefit scheme between those group companies that are a party to the scheme and hence a proportion of the defined benefit scheme assets, liabilities, income and costs are recognised by individual group companies in accordance with that policy.

However, as FRS 102 Layout Limited is not itself a party to the scheme and none of its own employees are members of that scheme, no proportion of the scheme is recognised in its individual company financial statements.

The difference between the fair value of the assets held in the group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the group's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

National insurance on share options

To the extent that the share price at the balance sheet date is greater than the exercise price on options granted under unapproved schemes after 19 May 2000, provision for any National Insurance contributions has been made based on the prevailing rate of National Insurance. The provision is accrued over the performance period attaching to the award.

FRS 102 Layout Limited Guidance Notes

The accounting policies set out in these financial statements are included merely for illustrative purposes and should not be considered applicable to any specific case. Accounting policies should be drafted on a case by case basis so as to fully explain the specific significant policies applied.

SOURCE

COMMENTS

Reserves

FRS 102 s4.12(b)

An entity shall disclose, either in the statement of financial position or in the notes, a description of each reserve within equity.

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Reserves

The Group and Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.
- ESOP share reserve represents the cost of the shares of the Company held by the Employee Share Ownership Plan (ESOP) trust for the purpose of long-term incentive schemes for employees.
- Convertible debt option reserve represents the equity component of convertible debt instruments.
- Cash flow hedge reserve represents the cumulative portion of gains and losses on hedging instruments deemed effective.
- Merger reserve arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

FRS 102 Layout Limited Guidance Notes

The accounting policies set out in these financial statements are included merely for illustrative purposes and should not be considered applicable to any specific case. Accounting policies should be drafted on a case by case basis so as to fully explain the specific significant policies applied.

SOURCE

COMMENTS

Key judgements and other key sources of estimation uncertainty

FRS 102 s8.6

An entity shall disclose, along with its significant accounting policies or other notes, the judgements, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies that have the most significant impact on the amounts recognised in the financial statements.

FRS 102 s8.7

An entity shall disclose in the notes information about the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. In respect of those assets and liabilities the notes shall include details of:

- (a) their nature; and
- (b) their carrying value as at the end of the reporting period. [FRS 102 Layout Limited covers this requirement by cross-referencing the disclosures to the relevant note].

FRS 102 s16.10

An entity shall disclose the following:

- (a) the methods and significant assumptions applied in determining the fair value of investment property;

...

(See note 15 for remaining disclosure requirements)

Financial instruments at fair value through profit or loss

FRS 102 s11.43

For all financial assets and financial liabilities measured at fair value, the entity shall disclose the basis for determining fair value, eg quoted market price in an active market or a valuation technique. When a valuation technique is used, the entity shall disclose the assumptions applied in determining fair value for each class of financial assets or financial liabilities. For example, if applicable, an entity discloses information about the assumptions relating to prepayment rates, rates of estimated credit losses, and interest rates or discount rates.

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether the Employee Share Ownership Plan (ESOP) should be considered to be under the control or de facto control of the parent company. The judgement that the parent company does exert de facto control has resulted in the ESOP's assets and liabilities being recognised on the parent company and consolidated balance sheets.

Other key sources of estimation uncertainty

- *Tangible fixed assets (see note 15)*

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Investment properties are professionally valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key inputs into the valuations were:

- Annual rent per square metre: £ - £ , with a weighted average of £
- Capitalisation rate: % - %, with a weighted average of %.

- *Investments (see notes 16 and 19)*

The most critical estimates, assumptions and judgements relate to the determination of carrying value of unlisted investments at fair value through profit and loss. In determining this amount, the Group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology.

Listed investments are valued at the quoted bid price at the reporting date. Unquoted investments are valued using a price/earnings multiple methodology. The relevant price/earnings multiple is determined by reference to those applying to quoted companies in similar industries after adjustment for the reduced liquidity of unquoted companies. This multiple is then applied to the earnings of the investee company in the period, after adjustments for one-off unusual income or expenditure in the period.

Key inputs include a price earnings multiple of , applied to the average EBITDA forecasts for the next years.

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Prior period adjustments

FRS 102 s10.23

An entity shall disclose the following about material prior period errors:

- (a) the nature of the prior period error;
- (b) for each prior period presented, to the extent practicable, the amount of the correction for each financial statement line item affected;
- (c) to the extent practicable, the amount of the correction at the beginning of the earliest prior period presented; and
- (d) an explanation if it is impracticable to determine the amounts to be disclosed in (b) or (c) above.

Financial statements of subsequent periods need not repeat these disclosures.

Note – There are no requirements for a third statement of financial position where prior period adjustments have been made.

FRS 102 s10.10

If an FRS allows a choice of accounting treatment (including the measurement basis) for a specified transaction or other event or condition and an entity changes its previous choice, that is a change in accounting policy.

FRS 102 s10.13

When an amendment to an FRS has an effect on the current period or any prior period, or might have an effect on future periods, an entity shall disclose the following:

- (a) the nature of the change in accounting policy;
- (b) for the current period and each prior period presented, to the extent practicable, the amount of the adjustment for each financial statement line item affected;
- (c) the amount of the adjustment relating to periods before those presented, to the extent practicable; and
- (d) an explanation if it is impracticable to determine the amounts to be disclosed in (b) or (c) above.

Financial statements of subsequent periods need not repeat these disclosures.

FRS 102 s10.14

When a voluntary change in accounting policy has an effect on the current period or any prior period, an entity shall disclose the following:

- (a) the nature of the change in accounting policy;
- (b) the reasons why applying the new accounting policy provides reliable and more relevant information;
- (c) to the extent practicable, the amount of the adjustment for each financial statement line item affected, shown separately:
 - (i) for the current period;
 - (ii) for each prior period presented; and
 - (iii) in the aggregate for periods before those presented; and
- (d) an explanation if it is impracticable to determine the amounts to be disclosed in (c) above.

Financial statements of subsequent periods need not repeat these disclosures.

FRS 102 s6.3 (b)

The SOCIE must show for each component of equity, the effects of retrospective application or retrospective restatement recognised.

FRS 102 Layout Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

3 Prior year adjustment

Group

	Equity as at 1 January 2017	Equity as at 31 December 2017	Profit for year ended 31 December 2017
	£'000	£'000	£'000
As previously stated			
Prior year adjustment – correction of error	a		
As restated			

Company

	Equity as at 1 January 2017	Equity as at 31 December 2017	Profit for year ended 31 December 2017
	£'000	£'000	£'000
As previously stated			
Prior year adjustment – correction of error	a		
As restated under former accounting policies			
Accounting policy changes			
Reversal of fair value movements	b		
Reversal of deferred tax recognised on b)	c		
Depreciation on land and buildings	d		
As restated in accordance with 2018 accounting policies			

- In the prior year, the company's preference share capital was incorrectly classified as equity rather than a financial liability. Although the preference shares are irredeemable, the contractual obligation to pay an annual dividend of 6% of nominal value into perpetuity, along with the absence of any other equity-style rights, results in the shares being classified wholly as a financial liability. Additionally, as a consequence of the liability classification in the balance sheet, dividends paid to preference shareholders should have been presented as a finance cost rather than a deduction from equity.
- Amendments to FRS 102 – Triennial review 2017 introduced an accounting policy option that allows an entity whose investment property is rented to another group entity to measure this property at cost less accumulated depreciation and impairment, rather than at fair value through profit or loss as previously required. The company has chosen to take advantage of this new accounting policy option and has, therefore, restated its previously revalued properties to historical cost. Depreciation has been accounted for in adjustment d.
- FRS 102 requires that deferred tax be recognised on revaluations of investment property. Per adjustment (b) the revaluation of these properties is being reversed.
- For investment properties now held at historical cost less depreciation, this adjustment accounts for the historic depreciation as if this policy had always been applied.

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Particulars of turnover – Companies Act requirements

- Sch 1 (68) (1) state the turnover attributable to each class of business and describe the class (medium sized companies are exempt from this requirement – See SI 2008/410 Part 2 paragraph 4(3)(b). The classes will probably be the “principal activities” disclosed elsewhere.
(2) State the turnover attributable to each geographic market. (It is assumed that this means market by destination.)
[...]
(5) Information need not be disclosed if it would be seriously prejudicial to the company, but that fact must be stated.

Note – Sch 1 (68)(1) refers to regulation 4(3)(b) for medium sized exemptions, however regulation 4(3)(b) no longer exists.

FRS 102 s23.30

An entity shall disclose:

- (a) [...]
(b) The amount of each category of revenue recognised during the period, showing separately, at a minimum, revenue arising from:
(i) The sale of goods;
(ii) The rendering of services;
(iii) Interest;
(iv) Royalties;
(v) Dividends;
(vi) Commissions;
(vii) Grants; and
(viii) Any other significant types of revenue.

FRS 102 s23.31

An entity shall disclose the following for construction contracts:

- (a) the amount of contract revenue recognised as revenue in the period;
(b) the methods used to determine the contract revenue recognised in the period; and
(c) the methods used to determine the stage of completion of contracts in progress.

The following expenses charged in arriving at profit before tax should be disclosed in the notes

FRS 102 s18.29

An entity shall disclose the aggregate amount of research and development expenditure recognised as an expense during the period (ie the amount of expenditure incurred internally on research and development that has not been capitalised as an intangible asset or as part of the cost of another asset that meets the recognition criteria).

Sch 1 (69) (2)

The amount, nature and effect of any individual items of income or expenditure which are of exceptional size or incidence must be stated.

Sch 1 P&L format note 17

For each class of fixed asset, disclose the amount charged for depreciation and diminution in value of tangible and intangible fixed assets.

FRS 102 s13.22(d)

Disclose the amount of impairment losses or reversal of inventories

FRS 102 s20.16(b)

A lessee shall disclose operating lease payments recognised as an expense.

FRS 102 s26.23(a)

An entity shall disclose the effect of share-based payment transactions on the entity's profit or loss for the period.

FRS 102 s30.25(a)

Disclose the amount of exchange differences recognised in profit or loss during the period, except for those arising on financial instruments measured at fair value through profit or loss

FRS 102 s30.25(b)

Disclose the amount of exchange differences recognised in other comprehensive income arising during the period.

Total comprehensive income

FRS 102 s5.9A

When items included in total comprehensive income are material, an entity shall disclose their nature and amount separately, in the statement of comprehensive income (and in the income statement, if presented) or in the notes.

[see next guidance notes page for auditor remuneration disclosure]

FRS 102 Layout Limited

**Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)**

4 Analysis of Turnover	2018 £'000	2017 £'000
Analysis by class of business:		
[Division 1]	_____	_____
[Division 2]	_____	_____
[Division 3]	_____	_____
	=====	=====
Analysis of turnover by country of destination:		
United Kingdom	_____	_____
Rest of Europe	_____	_____
Rest of the world	_____	_____
	=====	=====
5 Operating profit	2018 £'000	2017 £'000
This is arrived at after charging/(crediting):		
Research and development		
- current year's expenditure		
Reorganisation costs following acquisition of subsidiary (note 6)		
Impairment of inventory		
Depreciation of tangible fixed assets		
Impairment of tangible fixed assets		
Amortisation of intangible assets, including goodwill		
Operating lease expense		
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts		
Fees payable to the company's auditor and its associates for other services to the group:		
- The audit of the company's subsidiaries pursuant to legislation		
- Taxation compliance services		
Exchange differences		
Confiscation of stock		
Share based payment		
Defined contribution pension cost		
Defined benefit pension cost (see note 24)		
Government grants – revenue in nature		
	=====	=====

The confiscation of stock relates to

The amount of exchange differences recognised in other comprehensive income arising during the year was £ (2017: £).

FRS 102 Layout Limited Guidance Notes

SOURCE	COMMENTS
Auditor remuneration	
SI 2008/489(4)	<i>Medium-sized companies disclose:</i> <ul style="list-style-type: none">• the amount receivable by the company's auditor for the audit of the accounts.• The nature and estimated money value of benefits in kind
SI 2008/489(5)	<i>A company which is not a small or medium-sized company must disclose separately:</i> <p>(1a) remuneration for the company's auditor or an associate of the company's auditor for the auditing of those accounts;</p> <p>(1b) AND other remuneration receivable by –</p> <ul style="list-style-type: none">(i) the company's auditor (disclose each auditor separately); or(ii) an associate of the company's auditor. <p>(2) The nature and estimated money-value of benefits in kind</p> <p>(3) Separate disclosure is required of each type of service specified below:</p> <ul style="list-style-type: none">1. The auditing of accounts of any associate company2. Audit-related assurance services3. Taxation compliance services4. All taxation advisory services not falling within paragraph 35. Internal audit services6. All assurance services not falling within paragraphs 1 to 57. All services relating to corporate finance transactions entered into, or proposed to be entered into, by or on behalf of the company or any of its associates not falling within paragraphs 1 to 68. All non-audit services not falling within paragraphs 2 to 7
SI 2008/489 (6)	<p>1) <i>Group accounts</i> must comply with the regulations in SI 2008/489 (5) (as above) as if the undertakings included in the consolidation were a single company except for when the group is small or medium-sized (and not ineligible).</p> <p>2) A note to the individual accounts of a parent company which is required to prepare and does prepare group accounts in accordance with the Act; and a subsidiary company where its parent is required to prepare and does prepare group accounts in accordance with the Act and the company is included in the consolidation does not have to disclose the information required by regulation 5(1)(b) (see above) if they satisfy the conditions that: the group accounts are required to comply with paragraph (1); and the individual accounts state that the group accounts are so required.</p>
Employee numbers and costs	
s411(1) &(1A)	State the average number of employees (wherever employed) in the year, analysed into categories appropriate to the business. <i>Small companies are exempt from this requirement.</i>
s408(2)	A parent company now has to provide information about its own employee numbers and costs in accordance with s411 even if it has not presented its own profit and loss account.
s411(5)	Disclose aggregate of: <ul style="list-style-type: none">• wages and salaries paid or payable in respect of the year;• social security costs incurred by the company on their behalf; and• other pension costs incurred. <p>This is now required for the parent company as well as group. [Note – per Sch 10 paragraph 14(3), wages and salaries would include benefits in kind]</p>
s411(7)	This section applies in relation to group accounts as if the undertakings included in the consolidation were a single company.
FRS 102 s28.40	An entity shall disclose the amount recognised in profit or loss as an expense for defined contribution plans.
FRS 102 s28.41(g)	An entity shall disclose the total cost relating to defined benefit plans for the period, disclosing separately the amounts: <ul style="list-style-type: none">(i) recognised in profit or loss as an expense; and(ii) included in the cost of an asset <p>(see note 24 for further disclosure of total cost)</p>

**Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)**

6 Costs of post-acquisition reorganisation

On [date], the group acquired [] . The reorganisation costs of £ (2017 - £) relate to [] . The costs have been charged to operating profit and included in administrative expenses in the statement of comprehensive income.

7 Employees

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Staff costs consist of:				
Wages and salaries				
Social security costs				
Cost of defined benefit scheme (see note 24)				
Cost of defined contribution scheme				

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

	Group 2018 Number	Group 2017 Number	Company 2018 Number	Company 2017 Number
[Division 1]				
[Division 2]				
[Division 3]				
[Division 4]				
[Division 5]				

A defined contribution pension scheme is operated by the group on behalf of the employees of one of the subsidiary undertakings. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the group to the fund and amounted to £ (2017 - £), including contributions payable by the company to the fund amounting to £ (2017 - £). Group contributions amounting to £ (2017 - £) were payable to the fund at year end and are included in creditors. Company contributions amounting to £ (2017 - £) were payable to the fund at year end and are included in creditors.

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Directors' remuneration

Sch 5 (1)

Disclose in aggregate the total of:

- Remuneration in respect of qualifying services,
- The amount of money and other assets (other than shares or share options) received under long term incentive schemes
- Money purchase pension contributions made

For companies not quoted or listed on AIM, disclose the *number* of directors who

- exercised share options
- received shares under a long-term incentive scheme
- for whom benefits are accruing under money purchase or defined benefit pension schemes

Sch 5 (2)

Details of highest paid director's emoluments etc for non-quoted companies

If the directors' remuneration (as calculated below) totals more than £200,000, for the highest paid director disclose:

- aggregate remuneration (as calculated below),
- attributable pension contributions to money purchase pension schemes
- accrued defined benefit pension and lump-sum at the end of the year
- state whether options were exercised or shares received under a long term incentive scheme (non-AIM listed companies only)

Calculation of the £200,000 total remuneration	<ul style="list-style-type: none"> • Remuneration in respect of qualifying services; • aggregate amount of money and the net value of assets (excluding shares and share options) receivable under long term incentive schemes
---	--

Sch 5 (3)

Excess retirement benefits of directors and past directors

Disclose retirement benefits in excess of the original entitlement, unless:

- Amounts could have been paid without additional funding AND
- Benefits receivable by all members on the same basis

Sch 5 (4)

Disclose amount and nature of compensation for loss of office as director or any connected office. Loss of office includes retirement.

Sch 5 (5)

Disclose sums payable to third parties (in cash or kind) for the services of a director by any group company. Payments to fellow group companies are outside the scope of these disclosures.

Sch 5 (14)

"Director of a subsidiary" includes:

- any directorship to which they were nominated by the company
- any company that was a subsidiary when the services were received.

Definitions and general principles

- Information need only be disclosed if the company has a right to the information.
- Information is treated as disclosed if it can be ascertained from other information shown. (Sch 5.6)
- Qualifying service are services performed as director or manager of parent or subsidiary (see Sch 5.14), including any payments received for accepting office.
- Amounts disclosed exclude amounts that must be reimbursed, or elate to payment for shares. If the amounts are not reimbursed within two years they must be disclosed in the next accounts.
- Remuneration includes salaries, fees, bonuses, and taxable expenses in cash or kind (at estimated cash value).
- Remuneration excludes share based payments, pensions, long term incentive schemes
- "Long term incentive schemes" are payments based on performance or service conditions that cover more than one year. They exclude annual bonuses, termination payments, and retirement benefits.

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

8 Directors' remuneration

	2018 £'000	2017 £'000
Directors' emoluments		
Amounts receivable under long-term incentive schemes		
Company contributions to money purchase pension schemes		
Amounts paid to third parties in respect of directors' services		
	=====	=====

There were directors in the group's defined contribution pension scheme (2017 -). directors accrued benefits under the group's defined benefit pension scheme during the year (2017 -).

Emoluments of the highest paid director were £ (2017 - £). Company pension contributions of £ (2017 - £) were made to a money purchase scheme on his behalf.

During the year director (the highest paid director) received shares under the long term incentive schemes (2017 –). During the year, directors exercised shares (2017 –).

FRS 102 Layout Limited Guidance Notes

SOURCE	COMMENTS
Income from investments	
Sch 1 P&L format note 15	<i>Individual P&L for Parent and Subsidiaries:</i> Income and interest derived from group undertakings must be shown separately from income and interest derived from other sources. <i>This is not applicable for FRS 102 Layout Limited accounts as the s408 exemption is taken to not show individual company P&L.</i>
Interest payable and similar charges	
Sch 1 (66)	Disclose interest or similar charges on: <ul style="list-style-type: none">• all bank loans and overdrafts; and• all other loans.• This does not apply to loans from group undertakings, but with that exception it applies to all loans
Sch 1 P&L format note 16	<i>Individual P&L for Parent and Subsidiaries:</i> The amount payable to group undertakings must be shown separately. <i>This is not applicable for FRS 102 Layout Limited accounts as s408 exemption taken to not show individual company P&L.</i>
FRS 102 s11/s12	The classification of a financial instrument as a financial liability or an equity instrument determines whether interest, dividends, losses and gains relating to that instrument are recognised as income or expense in profit or loss or as changes recognised directly in equity. Thus, dividend payments on shares wholly recognised as liabilities are recognised as expenses in the same way as interest on a bond Dividends classified as an expense may be presented in the income statement either with interest on other liabilities or as a separate item.
Sch 1 (27) (3)	“Cost” may include overheads and interest, but the amount of interest capitalised must be disclosed.
FRS 102 s11.48	An entity shall disclose the following items of income, expense, gains or losses: <ul style="list-style-type: none">(a) income, expense, net gains or net losses, including changes in fair value, recognised on:<ul style="list-style-type: none">(i) financial assets measured at fair value through profit or loss;(ii) financial liabilities measured at fair value through profit or loss (with separate disclosure of movements on those which are not held as part of a trading portfolio and are not derivatives);(iii) financial assets measured at amortised cost;(iv) financial liabilities measured at amortised cost; and(v) when an entity has made the accounting policy choice in paragraphs 11.2(c) and 12.2(c) to apply the recognition and measurement provisions of IFRS 9, financial instruments measured at fair value through other comprehensive income(b) total interest income and total interest expense (calculated using the effective interest method) for financial assets or financial liabilities that are not measured at fair value through profit or loss; and(c) the amount of any impairment loss for each class of financial asset. A class of financial asset is a grouping that is appropriate to the nature of the information disclosed and that takes into account the characteristics of the financial assets. When an entity has made the accounting policy choice in paragraphs 11.2(c) and 12.2(c) to apply the recognition and measurement provisions of IFRS 9, the groupings shall be based on whether the amount is equal to 12-month expected credit risk losses, equal to lifetime expected credit losses or financial assets that are purchased or originated credit-impaired.

FRS 102 Layout Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

9 Income from investments	2018 £'000	2017 £'000
Dividend income from fixed asset investments held at fair value through profit or loss (unlisted shares)	_____	_____
Income from current asset investments held at fair value through profit or loss (listed shares)	_____	_____
10 Interest payable and similar expenses	2018 £'000	2017 £'000
Bank loans and overdrafts		
Preference share dividends		
Finance leases and hire purchase contracts		
Convertible loan stock finance cost	_____	_____
	_____	_____
11 Other finance costs	2018 £'000	2017 £'000
Net interest on net defined benefit liability	_____	_____

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Taxation

Sch 1 (67)

Disclose the following major components of the current tax charge:

- UK corporation tax
- Disclose the amount of UK tax that would have been charged but for “double taxation” relief
- UK income tax
- Non-UK tax.

Distinguishing estimated amounts for the current year and any adjustments recognised in respect of prior periods.

FRS 102 s29.25

An entity shall disclose information that enables users of its financial statements to evaluate the nature and financial effect of the current and deferred tax consequences of recognised transactions and other events.

FRS 102 s29.26

An entity shall disclose separately the major components of tax expense including:

- (a) current tax expense
- (b) any adjustments recognised in the period for current tax of prior periods
- (c) the amount of deferred tax expense relating to the origination and reversal of timing differences
- (d) the amount of deferred tax expense relating to changes in tax rates or the imposition of new taxes
- (e) adjustments to deferred tax expense arising from a change in the tax status of the entity or its shareholders and
- (f) the amount of tax expense relating to changes in accounting policies and material errors.

There is no need to show tax on discontinued operations separately in the tax note but FRS 102 s5.7E requires this to be shown separately on the face of the P&L so it has also been disclosed separately here in the note for consistency

FRS 102 Layout Limited

**Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)**

12 Taxation on profit

	2018 £'000	2018 £'000	2017 £'000	2017 £'000
<i>UK corporation tax</i>				
Current tax on profits of the year		_____		_____
Adjustment in respect of previous periods				
Tax on discontinued operations				
Double taxation relief		_____		_____
<i>Foreign tax</i>				
Current tax on foreign income for the year		_____		_____
Total current tax				
<i>Deferred tax</i>				
Origination and reversal of timing differences				
Changes to tax rates	_____		_____	
Taxation on profit		_____		_____
		=====		=====

FRS 102 Layout Limited Guidance Notes

SOURCE

Taxation

Sch 1 (67)

FRS 102 s29.27

COMMENTS

An entity shall disclose the following separately:

- (a) the aggregate current and deferred tax relating to items that are recognised as items of other comprehensive income or equity;
- (b) a reconciliation between:
 - (i) the tax expense included in profit or loss and
 - (ii) the profit or loss on ordinary activities before tax multiplied by the applicable tax rate;
- (c) the amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period together with a brief explanation for the expected reversal;
- (d) an explanation of changes in the applicable tax rate(s) compared with the previous reporting period;
- (e) the amount of deferred tax liabilities and deferred tax assets at the end of the reporting period for each type of timing difference and the amount of unused tax losses and tax credits;
- (f) the expiry date, if any, of timing differences, unused tax losses and unused tax credits; and
- (g) an explanation of the nature of the potential income tax consequences that would result from the payment of dividends to its shareholders.

Some of these disclosures are shown in note 25 to the accounts.

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

12 Taxation on profit (*continued*)

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2018 £'000	2017 £'000
Profit before tax	=====	=====
Profit on ordinary activities at the standard rate of corporation tax in the UK of % (2017 – %)		
Effects of:		
Expenses not deductible for tax purposes		
Higher tax rates on overseas earnings	-----	-----
Total tax charge for period	=====	=====

The aggregate current and deferred tax relating to items recognised in other comprehensive income is a charge of £ (2017: a credit of £).

The group's overseas tax rates are higher than those in the UK primarily because profits earned in Australia and Singapore are taxed at a rate in excess of %. There is no indication that these rates are likely to change in the near future.

For further information on deferred tax balances see notes 23 and 25.

FRS 102 Layout Limited Guidance Notes

SOURCE

Dividends

FRS 102 s32.8

COMMENTS

If an entity declares dividends to holders of its equity instruments after the end of the reporting period, the entity shall not recognise those dividends as a liability at the end of the reporting period because no obligation exists at that time. The amount of the dividend may be presented as a segregated component of retained earnings at the end of the reporting period.

FRS 102 Layout Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

13 Dividends

	2018 £'000	2017 £'000
Ordinary shares		
Final proposed for the prior year of p (2017 – p) per share		
Interim paid of p (2017 – p) per share	_____	_____
	=====	=====
Ordinary shares		
Final dividend proposed for the year of p (2017 – p) per share	_____	_____
	=====	=====

The proposed final dividend has not been accrued for as the dividend was declared after the balance sheet date.

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Intangible assets

FRS 102 s18.27
Sch 1 (51)

An entity shall disclose the following for each class of intangible assets:

- (a) the useful lives or the amortisation rates used and the reasons for choosing those periods;
- (b) the amortisation methods used;
- (c) the gross carrying amount and any accumulated amortisation (aggregated with accumulated impairment losses) at the beginning and end of the reporting period;
- (d) the line item(s) in the statement of comprehensive income (or in the income statement, if presented) in which any amortisation of intangible assets is included; and
- (e) a reconciliation of the carrying amount at the beginning and end of the reporting period showing separately:
 - (i) additions, indicating separately those from internal development and those acquired separately;
 - (ii) disposals;
 - (iii) acquisitions through business combinations;
 - (iv) revaluations;
 - (v) amortisation;
 - (vi) impairment losses; and
 - (vii) other changes.

This reconciliation need not be presented for prior periods (FRS 102 s3.14A)

FRS 102 s19.26

An acquirer shall disclose a reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period, showing separately:

- (a) changes arising from new business combinations;
- (b) amortisation;
- (c) impairment losses;
- (d) disposals of previously acquired businesses; and
- (e) other changes.

This reconciliation need not be presented for prior periods.

FRS 102 s19.26A

See FRS 102 section 19 paragraph 26A for disclosure requirements in relation to negative goodwill.

FRS 102 Layout Limited does not have any negative goodwill therefore this is not applicable here.

Sch 1 (52)

Where any intangible fixed assets (other than goodwill) are included at current cost, following information must be given –

- (a) the years in which the assets were severally valued and the several values, and
- (b) in the case of assets that have been valued during the financial year, the names of the persons who valued them or particulars of their qualifications for doing so and (whichever is stated) the bases of valuation used by them.

FRS 102 s18.28(a)

An entity shall also disclose a description, the carrying amount and remaining amortisation period of any individual intangible asset that is material to the entity's financial statements.

FRS 102 Layout Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

14 Intangible assets

Group	Development costs £'000	Goodwill on consolidation £'000	Total £'000
<i>Cost or valuation</i>			
At 1 January 2018	_____	_____	_____
Additions			
On acquisition of subsidiary			
At 31 December 2018	_____	_____	_____
<i>Amortisation</i>			
At 1 January 2018	_____	_____	_____
Provision for year			
At 31 December 2018	_____	_____	_____
<i>Net book value</i>			
At 31 December 2018	=====	=====	=====
At 31 December 2017	=====	=====	=====

All development costs are internally generated.

Goodwill arising on consolidation is being amortised over the directors' estimate of its useful life of years. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

FRS 102 Layout Limited Guidance Notes

SOURCE	COMMENTS
Tangible fixed assets Sch 1 (53)	Show separately: <ul style="list-style-type: none">• freehold land and buildings;• long leasehold land and buildings;• short leasehold land and buildings.
Sch 10 (7)	"Long lease" means a lease in the case of which the portion remaining unexpired at the end of the financial year is not less than 50 years. A "Short lease" means a lease which is not a long lease.
FRS 102 s17.30A	The following disclosures (other than those related to fair value measurement) are relevant to an entity that chooses to measure investment properties rented to another group entity under the cost model in this section, as permitted by paragraph 16.4A(b).
FRS 102 s17.31(d) & (e) Sch 1 (51)	An entity shall disclose the following for each class of property, plant and equipment: (d) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the reporting period; (e) a reconciliation of the carrying amount at the beginning and end of the reporting period showing separately: <ul style="list-style-type: none">(i) additions;(ii) disposals;(iii) acquisitions through business combinations;(iv) revaluations;(v) transfers to or from investment property (see paragraphs 16.9 to 16.9C)(vi) impairment losses recognised or reversed in profit or loss;(vii) depreciation(viii) other changes <p>This reconciliation need not be presented for prior periods (FRS 102 s3.14A)</p>
FRS 102 s17.32(a)	An entity shall disclose the existence and carrying amounts of property, plant and equipment to which the entity has restricted title or that is pledged as security for liabilities;
FRS 102 s17.32A Sch 1 (52)	If items of property, plant and equipment are stated at revalued amounts, the following shall be disclosed: <ul style="list-style-type: none">(a) the effective date of the revaluation;(b) whether an independent valuer was involved;(c) the methods and significant assumptions applied in estimating the items' fair values; and(d) for each revalued class of property, plant and equipment, the carrying amount that would have been recognised had the assets been carried under the cost model.
Sch 1 (34)	If assets are included at other than historical cost amount and revalued through other comprehensive income, disclose: <ul style="list-style-type: none">• the items affected and the basis of valuation adopted, in the note on accounting policies; and• the historical cost amount (cost and provision for depreciation and diminution) in a note
FRS 102 s20.13(a)	A lessee should disclose for each class of finance lease asset, the net carrying amount at the end of the reporting period.
Value in use	Note: There is no requirement to give details of how value in use was determined (unless this is a significant estimate / judgement). This paragraph has been given for the purposes of clarified disclosure.

FRS 102 Layout Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

15 Tangible fixed assets

Group	Investment property £'000	Land and buildings £'000	Plant, machinery and vehicles £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
<i>Cost or valuation</i>					
At 1 January 2018					
Additions					
Acquisition of subsidiary					
Disposals					
Disposal of subsidiary					
Revaluations					
Exchange adjustments					
At 31 December 2018					
<i>Depreciation</i>					
At 1 January 2018					
Provision for year					
Disposals					
Disposal of subsidiary					
Impairment					
Exchange adjustments					
At 31 December 2018					
<i>Net book value</i>					
At 31 December 2018					
At 31 December 2017					

The impairment loss recognised on tangible fixed assets in the period was £ (2017 –) and is included in administrative expenses in the consolidated income statement. It mostly arose as a result of the reorganisation described in note 6 where tangible fixed assets have been written down to their recoverable amount being the higher of their fair value less costs to sell and value in use.

The value in use has been calculated using discounted cash flow projections using a discount rate of % (2017 – %) over a period of years which is based on management's most recent business forecast.

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Tangible fixed assets

FRS 102 s16.10

An entity shall disclose the following:

- (a) the methods and significant assumptions applied in determining the fair value of investment property;
- (b) the extent to which the fair value of investment property (as measured or disclosed in the financial statements) is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and class of the investment property being valued. If there has been no such valuation, that fact shall be disclosed;
- (c) the existence and amounts of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal;
- (d) contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements; and
- (e) a reconciliation between the carrying amounts of investment property at the beginning and end of the period, showing separately:
 - (i) additions, disclosing separately those additions resulting from acquisitions through business combinations;
 - (ii) net gains or losses from fair value adjustments;
 - (iii) transfers to and from property, plant and equipment (see paragraphs 16.9 to 16.9B);
 - (iv) transfers to and from inventories (see paragraphs 16.9, 16.9A and 16.9C); and
 - (v) other changes.

This reconciliation need not be presented for prior periods (FRS 102 s3.14A)

FRS 102 s17.31A

An entity shall disclose the carrying amount at the end of the reporting period of investment property rented to another group entity, where the entity has chosen to account for such properties using the cost model in accordance with this section (see paragraph 16.4A).

FRS 102 s27.32

An entity shall disclose the following for each class of assets indicated in paragraph 27.33:

- (a) the amount of impairment losses recognised in profit or loss during the period and the line item(s) in the statement of comprehensive income (or in the income statement, if presented) in which those impairment losses are included; and
- (b) the amount of reversals of impairment losses recognised in profit or loss during the period and the line item(s) in the statement of comprehensive income (or in the income statement, if presented) in which those impairment losses are reversed.

FRS 102 s27.33

An entity shall disclose the information required by paragraph 27.32 for each of the following classes of asset:

- (a) inventories;
- (b) property, plant and equipment (including investment property accounted for by the cost method);
- (c) goodwill;
- (d) intangible assets other than goodwill;
- (e) investments in associates; and
- (f) investments in joint ventures.

FRS 102 s27.33A

An entity shall disclose a description of the events and circumstances that led to the recognition or reversal of the impairment loss.

FRS 102 Layout Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

15 Tangible fixed assets (*continued*)

Company	Investment property £'000	Land and buildings £'000	Plant, machinery and vehicles £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
<i>Cost or valuation</i>					
At 1 January 2018					
- as previously stated					
- accounting policy change (note 3)					
- as restated					
Additions					
Disposals					
Revaluations					
At 31 December 2018					
<i>Depreciation</i>					
At 1 January 2018					
- as previously stated					
- accounting policy change (note 3)					
- as restated					
Provision for year					
Disposals					
At 31 December 2018					
<i>Net book value</i>					
At 31 December 2018					
At 31 December 2017					

The net book value of land and buildings may be further analysed as follows:

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Freehold				
Long leasehold				
Short leasehold				

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Investment property

Sch 1 (39) (2)

Paragraph 39(2) of Schedule 1 to SI 2008/410 allows investment properties to be measured at fair value under UK GAAP with movements in fair value recognised in the profit and loss account. There is no requirement to provide depreciation. This treatment is consistent with FRS 102. As a result, there is now no need for a true and fair override to be given in UK GAAP accounts prepared under FRS 102 because of the non-provision of depreciation.

Sch 1 (58) (2)

Where investment property is included at fair value, the balance sheet items affected and the basis of valuation adopted in determining the amounts of the assets in question in the case of each such item must be disclosed in a note to the accounts.

Sch 1 (58) (3&4)

In the case of investment property, for each balance sheet item affected there must be shown, either separately in the balance sheet or in a note to the accounts:

- (a) the comparable amounts determined according to the historical cost accounting rules, or
- (b) the differences between those amounts and the corresponding amounts actually shown in the balance sheet in respect of that item.

The comparable amounts to be disclosed are:

- (a) the aggregate amount which would be required to be shown in respect of that item if the amounts to be included in respect of all the assets covered by that item were determined according to the historical cost accounting rules, and
- (b) the aggregate amount of the cumulative provisions for depreciation or diminution in value which would be permitted or required in determining those amounts according to those rules.

Finance leases (lessee)

FRS 102 s20.13

A lessee should disclose for finance leases:

- (a) for each class of asset, the net carrying amount at the end of the reporting period.
- (b) the total of future minimum lease payments at the end of the reporting period, for each of the following periods:
 - (i) not later than one year;
 - (ii) later than one year and not later than five years; and
 - (iii) later than five years.
- (c) A general description of the lessee's significant leasing arrangements including, for example, information about contingent rent, renewal or purchase options and escalation clauses, subleases, and restrictions imposed by lease arrangements.

(see note 21 for b & c)

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

15 Tangible fixed assets (*continued*)

Investment properties

The group's investment properties are valued annually on 31 December at fair value, determined by an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual. Details on the assumptions made and the key sources of estimation uncertainty are given in note 2.

The surplus on revaluation of investment property arising of £ (company - £) has been credited to the profit and loss for the year. All other tangible assets are stated at historical cost less depreciation and impairments.

If investment property had been accounted for under the historic cost accounting rules, the property would have been measured as follows:

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Historic cost	_____	_____	_____	_____
Accumulated depreciation and impairments	_____	_____	_____	_____
	=====	=====	=====	=====

Included within land and buildings are investment properties with a net book value of £ (2017 - £) which are rented to group undertakings. The company has chosen to account for these properties at historical cost less depreciation and impairment.

Finance Leases

The net book value of plant, machinery and vehicles for the group includes an amount of £ (2017 - £) in respect of assets held under finance leases and hire purchase contracts. The company had no assets held under such leases at either year end.

Such assets are generally classified as finance leases as the rental period amounts to the estimated useful economic life of the assets concerned and often the Group has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.

FRS 102 Layout Limited Guidance Notes

SOURCE	COMMENTS
Fixed asset investments	
Sch 1 (51)	<p>For each item shown as a fixed asset investment, disclose:</p> <ul style="list-style-type: none">• cost at beginning of year and balance sheet date;• acquisitions in year;• revaluations in year;• disposals in year; and• transfers to or from that item. <p>In respect of provisions for depreciation or diminution in value, disclose:</p> <ul style="list-style-type: none">• accumulated amount at the beginning of year and balance sheet date;• charge for year and provisions for diminution in value;• adjustments for disposals; and• other adjustments.
Sch 1 (54)(1)	Analyse investments between listed and other investments.
FRS 102 s11.48	See guidance notes in relation to note 10 'interest payable and similar charges' for disclosure requirements under FRS 102 s11.48
FRS 102 s11.44	If a reliable measure of fair value is no longer available for any financial instruments that would otherwise be required to be measured at fair value through profit or loss in accordance with this FRS, the entity shall disclose that fact and the carrying amount of those financial instruments.
Associates and Joint Ventures	
FRS 102 s14.12 (c) FRS 102 s15.19 (c)	The financial statements shall disclose the fair value of investments in associates or jointly controlled entities accounted for using the equity method for which there are published price quotations.
FRS 102 s14.15A	The individual financial statements of an investor that is not a parent shall disclose summarised financial information about the investments in the associates, along with the effect of including those investments as if they had been accounted for using the equity method. Investing entities that are exempt from preparing consolidated financial statements, or would be exempt if they had subsidiaries, are exempt from this requirement.
FRS 102 s15.21A	The individual financial statements of a venturer that is not a parent shall disclose summarised financial information about the investments in the jointly controlled entities, along with the effect of including those investments as if they had been accounted for using the equity method. Investing entities that are exempt from preparing consolidated financial statements, or would be exempt if they had subsidiaries, are exempt from this requirement.
FRS 102 s15.19 (d)	The financial statements shall disclose the aggregate amount of its commitments relating to joint ventures, including its share in the capital commitments that have been incurred jointly with other venturers, as well as its share of the capital commitments of the joint ventures themselves.

FRS 102 Layout Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

16 Fixed asset investments

Group	Joint ventures £'000	Associated undertakings £'000	Other investments £'000	Total £'000
<i>Cost or valuation</i>				
At 1 January 2018				
Additions				
Movement in fair value				
At 31 December 2018				
<i>Share of retained profits</i>				
At 1 January 2018				
Profit for the year				
At 31 December 2018				
<i>Net book value</i>				
At 31 December 2018				
At 31 December 2017				

There was no premium on acquisition relating to the associated undertakings or joint venture.

Other investments are shares in other unlisted companies which have been measured at fair value. The total income recognised on these investments in the period was £ (2017: £) representing the fair value remeasurements shown above and dividends received of £ (2017: £). There has been no change in the fair value of these as a result of changes in credit risk of the investments.

Company

	Group undertakings £'000	Associated undertakings £'000	Other Investments £'000	Total £'000
<i>Cost</i>				
At 1 January 2018				
Additions				
Disposals				
Movement in fair value				
At 31 December 2018				

Other investments are shares in other unlisted companies which have been measured at fair value.

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Fixed asset investments in subsidiaries

Sch 4 (1)	For each subsidiary undertaking show: <ul style="list-style-type: none">• name of the undertaking;• address of undertakings' registered office (whether in or outside the UK);• address of principal place of business if it is unincorporated;
Sch 4 (16)	<ul style="list-style-type: none">• whether the subsidiary undertaking is included in the consolidation and, if not, give reasons for excluding it;• which of the conditions specified in S.1162(2) or (4) (definition of a subsidiary undertaking) has been satisfied. This is not required if the relevant condition is that the parent undertaking holds a majority of the voting rights and holds the same proportion of shares as it holds voting rights.
Sch 4 (17)	For each subsidiary undertaking give proportion of nominal value and description of shares of each class held, distinguishing between shareholdings by the parent company and by the group if different.
Sch 4 (2)	For each subsidiary undertaking not included in the consolidation show: <ul style="list-style-type: none">• aggregate amount of capital and reserves at the end of its relevant financial year• profit or loss for that year <p>This information need not be given if:</p> <ul style="list-style-type: none">• the parent is included in the accounts of a larger group and exempt from the requirement to prepare group accounts• the subsidiary is included in the parent's accounts by way of the equity method• the subsidiary is not required to publish a balance sheet in the UK or elsewhere and the parent holds less than 50% of the nominal value of the shares.• the information required is not material.
Sch 4 (12)	If the year end of the undertaking for which the above is disclosed differs to that of the company, the date on which its last financial year ended (last before the end of the company's financial year) must be stated.

Note – there is no longer a requirement to disclosure nature of business of subsidiaries, however some clients may wish to do so for informative purposes

Consolidated financial statements

FRS 102 s9.23	The following disclosures shall be made in consolidated financial statements: <ul style="list-style-type: none">(a) the fact that the statements are consolidated financial statements;(b) the basis for concluding that control exists when the parent does not own, directly or indirectly through subsidiaries, more than half of the voting power;(c) any difference in the reporting date of the financial statements of the parent and its subsidiaries used in the preparation of the consolidated financial statements;(d) the nature and extent of any significant restrictions (eg resulting from borrowing arrangements or regulatory requirements) on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans;(e) the name of any subsidiary excluded from consolidation and the reason for exclusion; and(f) the nature and extent of its interest in unconsolidated special purpose entities, and the risks associated with those interests.
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Note that disclosures for (b)-(f) are not relevant for FRS 102 Layout Limited

FRS 102 Layout Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

16 Fixed asset investments (*continued*)

Subsidiary undertakings, associated undertakings and other investments

The undertakings in which the company's interest at the year end is 20% or more are as follows:

Name	Registered address	Proportion of voting rights and ordinary share capital held
<i>Subsidiary undertakings</i>		
<i>Joint ventures</i>		
<i>Associated undertakings</i>		

* Held indirectly.

** Registered address is

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Significant holdings in undertakings other than subsidiary undertakings

Sch 4 (4) and (5)

For all “significant holdings” (more than 20% of the nominal value of any class of shares or if the carrying amount of holding in the company’s individual or group accounts exceeds one-fifth of the company’s or group’s assets) which are not subsidiaries, joint ventures or associates at the end of the financial year, disclose: name of the undertaking;

- address of undertakings’ **registered office** (whether in or outside the UK);
- address of principal place of business if it is unincorporated;
- the identity of each class of shares held in the undertaking and the proportion of nominal value of the shares of that class represented by those shares;
- aggregate amount of capital and reserves of the undertaking as at the end of its relevant financial year;
- its profit or loss for that year.

Sch 4 (6) and (13)

This information need not be given if:

- the undertaking is not required to publish a balance sheet in the UK or elsewhere and the parent holds less than 50% of the nominal value of the shares; or
- the company is included in the accounts of a larger group and exempt from the requirement to prepare group accounts, and the investment of the company in all undertakings in which it has such a holding is shown, in aggregate, in the notes to the accounts under the equity method; or
- the information required is not material.

Disclosures relating to joint ventures

Sch 4 (18)

Where a joint venture is included in the consolidated accounts using proportional consolidation, the company must disclose:

- the name of the undertaking;
- address of undertakings’ **registered office** (whether in or outside the UK);
- the factors on which joint management of the joint venture is based; and;
- the proportion of the capital of the joint venture held by undertakings included in the consolidation

If the joint venture’s year is different from that of the company, the date of the joint venture’s last year end before that of the company must be disclosed.

Disclosures relating to associated undertakings

Sch 4 (19)

The following information must be given where an undertaking included in the consolidation has an interest in an associated undertaking:

- the name of the undertaking;
- address of undertakings’ **registered office** (whether in or outside the UK);
- address of principal place of business if it is unincorporated
- the identity of each class of shares held in the undertaking and the proportion of nominal value of the shares of that class represented by those shares showing separately the shares held by the company and the shares held by the group;

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FRS 102 Layout Limited Guidance Notes

SOURCE	COMMENTS
Stocks	
FRS 102 s13.22 (b)	An entity shall disclose the total carrying amount of inventories and the carrying amount in classifications appropriate to the entity.
Sch 1 BS format	Stocks should be sub-classified in the balance sheet or notes to the financial statements to indicate the amounts held in each of the following main categories of the balance sheet formats. <ul style="list-style-type: none">• raw materials and consumables;• work in progress;• finished goods and goods for resale
Sch 1 (28)(3,4,5)	If cost has been determined using FIFO, LIFO, weighted average cost or a similar method and the difference between historical cost and replacement cost of stocks is material, the amount of that difference should be disclosed in a note to the financial statements. Note – LIFO is not permitted per FRS 102 s13.18.
FRS 102 s23.35	Costs incurred less costs recognised as contract expenses shall be presented as contract work in progress within inventories, unless an entity has chosen to adapt its statement of financial position in accordance with paragraph 4.2A.
Debtors	
Sch 1 BS format note 5	Amounts falling due after more than one year should be shown separately for each item included under debtors.
FRS 102 s4.4A	Unless an entity chooses to apply paragraph 1A(1) of Schedule 1 to the Regulations, where the amount of debtors due after more than one year is so material in the context of the total net current assets that in the absence of disclosure of the debtors due after more than one year on the face of the statement of financial position readers may misinterpret the financial statements, the amount should be disclosed on the face of the statement of financial position within current assets. In most cases it will be satisfactory to disclose the amount due after more than one year in the notes to the financial statements
FRS 102 s23.32 (a)	An entity shall present the gross amount due from customers for contract work, as an asset.
FRS 102 s11.48	See guidance notes in relation to note 10 'interest payable and similar charges' for disclosure requirements under FRS 102 s11.48

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

17 Stocks

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Raw materials and consumables	_____	_____	_____	_____
Work in progress (goods to be sold)	_____	_____	_____	_____
Finished goods and goods for resale	_____	_____	_____	_____
	=====	=====	=====	=====

Replacement cost

Included in the amount shown above for stocks of raw materials and consumables are items valued at cost calculated on a first in, first out basis. The replacement cost of these items at 31 December 2018 was £ greater (2017 – £ greater) than the amount at which they are included in the accounts.

18 Debtors

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Trade debtors	_____	_____	_____	_____
Amounts owed by group undertakings	_____	_____	_____	_____
Amounts owed by joint ventures and associated undertakings	_____	_____	_____	_____
Other debtors	_____	_____	_____	_____
Prepayments and accrued income	_____	_____	_____	_____
Net investment in finance lease	_____	_____	_____	_____
Deferred tax asset	_____	_____	_____	_____
	=====	=====	=====	=====

All amounts shown under debtors fall due for payment within one year except:

Group:

- net investment in finance leases £ (2017 - £); and
- deferred tax asset recognised in respect of the defined benefit pension scheme operated by some subsidiaries of the group. This will reverse over the life of the scheme and is subject to changes in valuations of the defined benefit obligation and plan assets.

Company:

- None (2017 – None)

The impairment loss recognised in the group profit or loss for the period in respect of bad and doubtful trade debtors was £ (2017: £). The impairment loss recognised in the company profit or loss for the period in respect of bad and doubtful trade debtors was £ (2017: £).

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Finance leases (lessor)

FRS 102 s20.23

A lessor shall make the following disclosures for finance leases:

- (a) a reconciliation between the gross investment in the lease at the end of the reporting period, and the present value of minimum lease payments receivable at the end of the reporting period. In addition, a lessor shall disclose the gross investment in the lease and the present value of minimum lease payments receivable at the end of the reporting period, for each of the following periods:
 - (i) not later than one year;
 - (ii) later than one year and not later than five years; and
 - (iii) later than five years.
- (b) unearned finance income;
- (c) the unguaranteed residual values accruing to the benefit of the lessor;
- (d) the accumulated allowance for uncollectible minimum lease payments receivable;
- (e) contingent rents recognised as income in the period; and
- (f) a general description of the lessor's significant leasing arrangements including, for example, information about contingent rent, renewal or purchase options and escalation clauses, subleases, and restrictions imposed by lease arrangements.

[Note – in the case of FRS 102 Layout Limited this is not material]

Current asset investments

Sch 1 (54) (1)

Analyse investments between listed and other investments.

FRS 102 s11.48

See guidance notes in relation to note 10 'interest payable and similar charges' for disclosure requirements under FRS 102 s11.48

Creditors: Amounts falling due within one year

Sch 1 (61) (4)

For each item in creditors for which security has been given:

- state the amounts secured; and
- give a general indication of security.

Sch 1 BS format
note 9

Liabilities for taxation and social security should be separately disclosed.

FRS 102 s23.32

An entity shall present:

- (a) the gross amount due from customers for contract work, as an asset; and
- (b) the gross amount due to customers for contract work, as a liability.

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

19 Current asset investments

	Group and Company	
	2018	2017
	£'000	£'000
Opening fair value		
Purchases		
Sales		
Gains/(losses) on remeasurement to fair value		
Market value	_____	_____
	=====	=====

All current asset investments are shares held in listed companies which are traded on a regular basis. The total income recognised on these investments in the period was £ (2017: £) representing the fair value remeasurements shown above and dividends received of £ (2017: £).

20 Creditors: amounts falling due within one year

	Group	Group	Company	Company
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Debt element of convertible loan stock				
Bank overdrafts (secured)				
Payments received on account				
Trade creditors				
Amounts owed to group undertakings				
Corporation tax				
Taxation and social security				
Obligations under finance lease and hire purchase contracts				
Other creditors				
Accruals and deferred income				
	_____	_____	_____	_____
	=====	=====	=====	=====

The bank overdrafts are secured by a floating charge over the assets of the group and the company.

The convertible redeemable loan stock paid no interest and was converted during the year under the terms of the loan agreement to ordinary shares of p each at a premium of £ (see note 26).

FRS 102 Layout Limited Guidance Notes

SOURCE	COMMENTS
	Creditors: amounts falling due after more than one year
Sch 1 (50) (1)	If debentures have been issued during the year, give: <ul style="list-style-type: none">• classes of debentures issued; and• for each class, the amount issued and the consideration received.
Sch 1 (50) (2)	Disclose the nominal and carrying amount of any debentures held by a nominee of or trustee for the company.
Sch 1 (61) (4)	For items where security has been given state the amounts secured and give a general indication of the security.
Sch 1 (61) (1)	For each item included in creditors due after one year, disclose the aggregate of: <ul style="list-style-type: none">• amounts payable otherwise than by instalments more than five years hence; and• amounts payable by instalments any of which are due more than five years hence and the total of such instalments.
Sch 1 (61) (2&3)	Where any part of the debt is payable after more than five years, show terms of repayment and rates of interest payable. If this produces a statement of excessive length, give a general indication of the terms and rates of interest. For convertible debt still outstanding at the year end disclose: <ul style="list-style-type: none">• details of the date of redemption;• the amount payable on redemption;• the number and class of shares into which the debt may be converted;• the date at or period within which the conversion may take place; and• whether the conversion is at the option of the issuer or the holder.
Sch 1 (62)	If any fixed cumulative dividends on the company's shares are in arrear, there must be stated - <ol style="list-style-type: none">(a) the amount of the arrears, and(b) the period for which the dividends or, if there is more than one class, each class of them are in arrears.

FRS 102 Layout Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 *(continued)*

21 Creditors: amounts falling due after more than one year

	Group 2018 £'000	Group 2017 (as restated – see note 3) £'000	Company 2018 £'000	Company 2017 (as restated – see note 3) £'000
Irredeemable preference shares (note 26)	_____	_____	_____	_____
Bank loans				
Interest rate swap – cash flow hedge				
Obligations under finance lease and hire purchase contracts				
Accruals and deferred income				
	=====	=====	=====	=====

The maturity of sources of debt finance are as follows:

Group	Loans and overdrafts 2018 £'000	Finance leases 2018 £'000	Total 2018 £'000
In one year or less, or on demand	_____	_____	_____
In more than one year but not more than two years			
In more than two years but not more than five years			
	_____	_____	_____
	=====	=====	=====

	Convertible loan stock 2017 £'000	Loans and overdrafts 2017 £'000	Finance leases 2017 £'000	Total 2017 £'000
In one year or less, or on demand	_____	_____	_____	_____
In more than one year but not more than two years				
In more than two years but not more than five years				
	_____	_____	_____	_____
	=====	=====	=====	=====

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Finance leases (lessee)

FRS 102 s20.13

A lessee shall disclose for finance leases:

- (b) the total of future minimum lease payments at the end of the reporting period, for each of the following periods:
 - (i) not later than one year;
 - (ii) later than one year and not later than five years; and
 - (iii) later than five years.
- (c) And a general description of the lessee's significant leasing arrangements including, for example, information about contingent rent, renewal or purchase options and escalation clauses, subleases, and restrictions imposed by lease arrangements.

For (a), see note 15.

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 *(continued)*

21 Creditors: amounts falling due after more than one year *(continued)*

Maturity of debt (continued):

Company

	Loans and overdrafts 2018 £'000	Total 2018 £'000
In one year or less, or on demand	_____	_____
In more than one year but not more than two years	_____	_____
In more than two years but not more than five years	_____	_____
	_____	_____

	Convertible loan stock 2017 £'000	Loans and overdrafts 2017 £'000	Total 2017 £'000
In one year or less, or on demand	_____	_____	_____
In more than one year but not more than two years	_____	_____	_____
In more than two years but not more than five years	_____	_____	_____
	_____	_____	_____

During the year, the group borrowed funds from its bankers under two term loans of £ and £ respectively. The first (reporting date carrying amount of £ (2017: £)) is repayable in [date] and the second (reporting date carrying amount on £ (2017 £)) is repayable in [date]. Both loans accrue interest at a variable rate equivalent to LIBOR plus % . Issue costs of £ were incurred, which have been deducted from the initial carrying value and will be charged to profit or loss as part of the interest charge calculated using the effective interest rate method.

The group has entered into floating to fixed interest rate swaps with a fixed leg of % and a variable rate leg equal to LIBOR. These are accounted for as a cash flow hedge (see note 22).

Total of group future minimum lease payments under finance leases:

	2018 £'000	2017 £'000
In one year or less, or on demand	_____	_____
In more than one year but not more than two years	_____	_____
Total	_____	_____

The company had no assets held under such leases at either year end.

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Financial instruments

Note: not all of the following disclosure requirements are relevant to FRS 102 Layout Limited

- | | |
|----------------|---|
| FRS 102 s11.41 | An entity shall disclose separately the carrying amounts at the reporting date of financial assets and financial liabilities measured at fair value through profit or loss. This disclosure may be made separately by category of financial instrument. Financial liabilities that are not held as part of a trading portfolio and are not derivatives shall be shown separately. |
| FRS 102 s11.42 | <p>An entity shall disclose information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance. For example, for long-term debt such information would normally include the terms and conditions of the debt instrument (such as interest rate, maturity, repayment schedule, and restrictions that the debt instrument imposes on the entity). When the risks arising from financial instruments are particularly significant to the business (for example because they are principal risks for the entity), additional disclosure may be required. Paragraphs 34.19 to 34.30, which set out disclosure requirements for financial institutions, include examples of disclosure requirements for risks arising from financial instruments that may be relevant in such cases.</p> <p><i>(Note: the disclosure requirements under paragraphs 34.19 to 34.30 are not relevant to FRS 102 Layout Limited and therefore are not included)</i></p> |
| FRS 102 s11.45 | <p>If an entity has transferred financial assets to another party in a transaction that does not qualify for derecognition (see paragraphs 11.33 to 11.35), the entity shall disclose the following for each class of such financial assets:</p> <ul style="list-style-type: none">(a) the nature of the assets;(b) the nature of the risks and rewards of ownership to which the entity remains exposed; and(c) the carrying amounts of the assets and of any associated liabilities that the entity continues to recognise. |
| FRS 102 s11.47 | <p>For loans payable recognised at the reporting date for which there is a breach of terms or default of principal, interest, sinking fund, or redemption terms that has not been remedied by the reporting date, an entity shall disclose the following:</p> <ul style="list-style-type: none">(a) details of that breach or default;(b) the carrying amount of the related loans payable at the reporting date; and whether the breach or default was remedied, or the terms of the loans payable were renegotiated, before the financial statements were authorised for issue. |

[Continued on next Guidance Notes page]

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

22 Financial instruments

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the Directors' report.

The carrying values of the Group and Company's financial assets and liabilities measured at fair value through profit or loss are summarised by category below:

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Financial assets				
Fixed asset unlisted investments (note 16)				
Current asset listed investments (note 19)				
Financial liabilities				
Derivative financial liabilities designated in an effective hedging relationship (see below)				

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	Group 2018 £'000	Group 2017 £'000
Interest income/(expense)		
Total interest income for financial assets at amortised cost		
Total interest expense for financial liabilities at amortised cost		
Fair value gains/(losses)		
On financial assets measured at fair value through profit or loss (notes 16 and 19)		
Impairment (losses)		
On financial assets measured at amortised cost (note 18)		

The Company's gains and losses in respect of financial instruments are summarised below:

	Company 2018 £'000	Company 2017 £'000
Fair value gains/(losses)		
On financial assets measured at fair value through profit or loss (notes 16 and 19)		

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Financial instruments (continued)

Note: not all of the following disclosure requirements are relevant to FRS 102 Layout Limited

- FRS 102 s11.48A The following disclosures are required only for financial instruments at fair value through profit or loss that are not financial liabilities held as part of a trading portfolio nor derivatives:
- (a) For a financial liability designated as at fair value through profit or loss, the amount of change, during the period and cumulatively, in the fair value of the financial instrument that is attributable to changes in the credit risk of that instrument, determined either:
 - (i) as the amount of change in its fair value that is not attributable to changes in market conditions that give rise to market risk; or
 - (ii) using an alternative method the entity believes more faithfully represents the amount of change in its fair value that is attributable to changes in the credit risk of the instrument.
 - (b) The method used to establish the amount of change attributable to changes in own credit risk, or, if the change cannot be measured reliably or is immaterial, that fact.
 - (c) The difference between financial liability's carrying amount and the amount the entity would be contractually required to pay at.
 - (d) If an instrument contains both a liability and an equity feature, and the instrument has multiple features that substantially modify the cash flows and the values of those features are interdependent (such as a callable convertible debt instrument), the existence of those features.
 - (e) Any difference between the fair value at initial recognition and the amount that would be determined at that date using a valuation technique, and the amount recognised in profit or loss.
 - (f) Information that enables users of the entity's financial statements to evaluate the nature and extent of relevant risks arising from financial instruments to which the entity is exposed at the end of the reporting period. These risks typically include, but are not limited to, credit risk, liquidity risk and market risk. The disclosure should include both the entity's exposure to each type of risk and how it manages those risks.

***Note:** FRS 102 Layout Limited has no financing transactions as all long term creditors are at market rates*

Financial instruments – hedge accounting

- FRS 102 s12.27 An entity shall disclose the following separately for hedges of each of the four types of relationships described in paragraph 12.17:
- (a) a description of the hedge;
 - (b) a description of the financial instruments designated as hedging instruments and their fair values at the **reporting date**; and
 - (c) the nature of the risks being hedged, including a description of the hedged item.
- FRS 102 s12.28 If an entity uses hedge accounting for a fair value hedge it shall disclose the following:
- (a) the amount of the change in fair value of the hedging instrument recognised in profit or loss for the period; and
 - (b) the amount of the change in fair value of the hedged item recognised in profit or loss for the period.
- FRS 102 s12.29 If an entity uses hedge accounting for a cash flow hedge it shall disclose the following:
- (a) the periods when the cash flows are expected to occur and when they are expected to affect profit or loss;
 - (b) a description of any forecast transaction for which hedge accounting had previously been used, but which is no longer expected to occur;
 - (c) the amount of the change in fair value of the hedging instrument that was recognised in other comprehensive income during the period;
 - (d) the amount that was reclassified from other comprehensive income to profit or loss for the period; and
 - (e) the amount, if any, of any hedge ineffectiveness recognised in profit or loss for the period.

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 *(continued)*

22 Financial instruments (continued)

Hedge of variable interest rate risk arising from bank loan liabilities

During the year, the group and company borrowed funds from its bankers under two term loans of £ and £ , which are repayable in [date] and [date] respectively.

To hedge the potential volatility in future interest cash flows arising from movements in LIBOR, the group has entered into floating to fixed interest rate swaps with a nominal value equal to that of the initial borrowings, the same term as the loans and interest re-pricing dates identical to those of the variable rate loans. These result in the group paying % and receiving (though cash flows are settled on a net basis) and effectively fix the total interest cost on loans and interest rates swaps at % per annum.

The company uses derivatives to hedge its variable interest rate risks and the fair value of the derivative liability at the balance sheet date was £ (2017: £). The cash flows arising from the interest rate swaps will continue until their maturity in [date] and [date], coincidental with the repayment of the term loans.

Changes in the fair value of the derivative recognised in other comprehensive income that were determined to be an effective hedge amounted to £ . During the year an amount of £ was reclassified from other comprehensive income to the income statement representing the amount by which forecast cash flows affected the profit or loss. The hedge did not result in any ineffective portion of the change in the fair value of the derivative being recognised in the profit or loss for the year.

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Provisions for liabilities

Sch 1 (59) (1-3) Where amounts would ordinarily be shown separately in the balance sheet, then details of amounts brought forward, transferred and carried forward should be given in tabular form.

FRS 102 s21.14 For each class of provision, an entity shall disclose the following:

- (a) a reconciliation showing:
 - (i) the carrying amount at the beginning and end of the period;
 - (ii) additions during the period, including adjustments that result from changes in measuring the discounted amount;
 - (iii) amounts charged against the provision during the period; and
 - (iv) unused amounts reversed during the period;
- (b) a brief description of the nature of the obligation and the expected amount and timing of any resulting payments;
- (c) an indication of the uncertainties about the amount or timing of those outflows; and
- (d) the amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement. (in *FRS 102 Layout Limited's* case this is nil).

Comparative information for prior periods is not required.
[See accounting policies for some of these disclosures]

Deferred taxation

Sch 1 (60) Show any provision for deferred taxation separately from any provision for other taxation.

FRS 102 Layout Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 *(continued)*

23 Provisions for liabilities

Group	Deferred taxation (Note 25) £'000	Dilapidations £'000	Onerous lease £'000	Total £'000
At 1 January 2018	_____	_____	_____	_____
Charged to profit or loss				
Charged to other comprehensive income				
Arising on business combinations				
Utilised in year				
At 31 December 2018	=====	=====	=====	=====
Company		Deferred taxation (Note 25) £'000	Dilapidations £'000	Total £'000
At 1 January (as previously stated)				
Accounting policy change (note 3)				
At 1 January 2018 (as restated)		_____	_____	_____
Charged to profit or loss				
Charged to other comprehensive income				
Utilised in year				
At 31 December 2018		=====	=====	=====

Onerous lease provisions will unwind over the next years. Dilapidations provisions are expected to be utilised in and years.

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Pensions

Sch 1 (63) (4,5 & 6)

Disclose any pension commitments at the year end.

FRS 102 s28.41

An entity shall disclose the following information about defined benefit plans. If an entity has more than one defined benefit plan, these disclosures may be made in aggregate, separately for each plan, or in such groupings as are considered to be the most useful:

- (a) A general description of the type of plan, including funding policy.
- (b)-(c) [...]
- (d) The date of the most recent comprehensive actuarial valuation and, if it was not as of the reporting date, a description of the adjustments that were made to measure the defined benefit obligation at the reporting date.
- (e) A reconciliation of opening and closing balances for each of the following:
 - (i) the defined benefit obligation;
 - (ii) the fair value of plan assets; and
 - (iii) any reimbursement right recognised as an asset.
- (f) Each of the reconciliations above shall show each of the following if applicable:
 - (i) the change in the defined benefit liability arising from employee service rendered during the reporting period in profit or loss;
 - (ii) interest income or expense;
 - (iii) re-measurement of the defined benefit liability, showing separately actuarial gains and losses and the return on plan assets less amounts included in (ii) above; and
 - (iv) plan introductions, changes, curtailments and settlements.
- (g) The total cost relating to defined benefit plans for the period, disclosing separately the amounts:
 - (i) recognised in profit or loss as an expense; and
 - (ii) included in the cost of an asset.
- (h) For each major class of plan assets, which shall include, but is not limited to, equity instruments, debt instruments, property, and all other assets, the percentage or amount that each major class constitutes of the fair value of the total plan assets at the reporting date.
 - (i) The amounts included in the fair value of plan assets for:
 - (i) each class of the entity's own financial instruments; and
 - (ii) any property occupied by, or other assets used by, the entity.
 - (j) The return on plan assets.
- (k) The principal actuarial assumptions used, including, when applicable:
 - (i) the discount rates;
 - (iii) the expected rates of salary increases;
 - (iv) medical cost trend rates; and
 - (v) any other material actuarial assumptions used.

The reconciliations in (e) and (f) above need not be presented for prior periods.

Note: FRS 102.28.41 does not include a reference to b, c or k(ii)

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

24 Pensions

Several pension schemes are operated by the group. Details of defined contribution scheme costs are shown in note 5. Details of the defined benefit scheme are shown below.

Defined benefit pension scheme

Some subsidiaries within the group operate a defined benefit pension scheme which was established under an irrevocable Deed of Trust. The Deed determines the appointment of trustees to the fund. The scheme is managed by a corporate trustee accountable to the pension scheme members. The trustees of the fund are required to act in the best interests of the beneficiaries.

There is a stated policy for charging the net defined benefit scheme between those group companies that are a party to the scheme and hence a proportion of the defined benefit scheme assets, liabilities, income and costs are recognised by individual group companies in accordance with that policy. However, as FRS 102 Layout Limited is not itself a party to the scheme and none of its own employees are members of that scheme, no proportion of the scheme is recognised in its individual company financial statements.

Pension benefits depend upon age, length of service and salary level.

A full actuarial valuation of the defined benefit scheme was carried out at 31 December 2016 and updated to 31 December 2017 and 2018 by a qualified independent actuary. Contributions to the scheme are made by the group based on the advice of the actuary and with the aim of making good the deficit over the remaining working life of the employees.

There were no changes to the scheme during the year and no amounts owing to the scheme at the year end.

	2018	2017
	£'000	£'000
<i>Reconciliation of present value of plan liabilities</i>		
At the beginning of the year		
Current service cost		
Interest cost		
Actuarial losses		
Benefits paid		
Past service costs		
	_____	_____
At the end of the year		
	=====	=====
	2018	2017
	£'000	£'000
<i>Composition of plan liabilities</i>		
Schemes wholly or partly funded		
	=====	=====

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Pensions

FRS 102 s28.41A

If an entity participates in a defined benefit plan that shares risks between entities under common control it shall disclose the following information:

- (a) The contractual agreement or stated policy for charging the cost of a defined benefit plan or the fact that there is no policy.
- (b) The policy for determining the contribution to be paid by the entity.
- (c) If the entity accounts for an allocation of the net defined benefit cost, all the information required in paragraph 28.41.
- (d) If the entity accounts for the contributions payable for the period, the information about the plan as a whole required by paragraph 28.41(a), (d), (h) and (i).

This information can be disclosed by cross-reference to disclosures in another group entity's financial statements if:

- (i) that group entity's financial statements separately identify and disclose the information required about the plan; and
- (ii) that group entity's financial statements are available to users of the financial statements on the same terms as the financial statements of the entity and at the same time as, or earlier than, the financial statements of the entity.

FRS 102 s28.40

An entity shall disclose the amount recognised in profit or loss as an expense for defined contribution plans. (Disclosed in note 7)

FRS 102 s28.40A

If an entity treats a defined benefit multi-employer plan as a defined contribution plan because sufficient information is not available to use defined benefit accounting it shall:

- (a) disclose the fact that it is a defined benefit plan and the reason why it is being accounted for as a defined contribution plan, along with any available information about the plan's surplus or deficit and the implications, if any, for the entity;
- (b) include a description of the extent to which the entity can be liable to the plan for other entities' obligations under the terms and conditions of the multi-employer plan; and
- (c) disclose how any liability recognised in accordance with s28.11A (multi-employer plans with an agreement in place to fund a deficit) has been determined.

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

24 Pensions (*continued*)

	2018 £'000	2017 £'000
<i>Reconciliation of fair value of plan assets</i>		
At the beginning of the year		
Interest income on plan assets		
Actuarial gains/(losses)		
Contributions by group		
Benefits paid		
At the end of the year		
	2018 £'000	2017 £'000
Fair value of plan assets		
Present value of plan liabilities		
Net pension scheme liability		
	2018 £'000	2017 £'000
<i>Amounts recognised in the profit and loss amount are as follows:</i>		
<i>Included in administrative expenses:</i>		
Current service cost		
Past service cost		
<i>Amounts included in other finance costs</i>		
Net interest cost		
	2018 £'000	2017 £'000
<i>Analysis of actuarial loss recognised in Other Comprehensive Income</i>		
Actual return less interest income included in net interest income		
Experience gains and losses arising on the scheme liabilities		
Changes in assumptions underlying the present value of the scheme liabilities		

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

No further comments. See above for guidance.

FRS 102 Layout Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 *(continued)*

24 Pensions (continued)

	2018 £'000	2017 £'000
<i>Composition of plan assets</i>		
European equities		
European bonds		
Property		
Cash		
	_____	_____
Total plan assets		
	=====	=====
	2018	2017
	£'000	£'000
<i>Actual return on plan assets</i>		
	=====	=====
	2018	2017
	%	%
<i>Principal actuarial assumptions used at the balance sheet date</i>		
Discount rates		
Future salary increases		
Future pension increases		
Proportion of employees opting for early retirement		
Inflation assumption		
Mortality rates		
- for a male aged now		
- at for a male member aged now		
- for a female aged now		
- at for a female member aged now		

No employees of the parent company were members of the defined benefit scheme.

FRS 102 Layout Limited Guidance Notes

SOURCE

Deferred taxation

FRS 102 s29.27

COMMENTS

An entity shall disclose the following separately:

- (c) the amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period together with a brief explanation for the expected reversal;
- (d) an explanation of changes in the applicable tax rate(s) compared with the previous reporting period;
- (e) the amount of deferred tax liabilities and deferred tax assets at the end of the reporting period for each type of timing difference and the amount of unused tax losses and tax credits;
- (f) the expiry date, if any, of timing differences, unused tax losses and unused tax credits; and

FRS 102 Layout Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

25 Deferred taxation

Deferred tax liabilities - Group

	Accelerated capital allowances	Business combinations	Investment property revaluations	Financial instruments revaluations	Total
	2018	2018	2018	2018	2018
	£'000	£'000	£'000	£'000	£'000

Deferred tax liability

=====

	Accelerated capital allowances	Business combinations	Investment property revaluations	Financial instruments revaluations	Total
	2017	2017	2017	2017	2017
	£'000	£'000	£'000	£'000	£'000

Deferred tax liability

=====

Deferred tax liabilities – Company

	Accelerated capital allowances	Investment property revaluations	Financial instruments revaluations	Total
	2018	2018	2018	2018
	£'000	£'000	£'000	£'000

Deferred tax liability

=====

	Accelerated capital allowances	Investment property revaluations	Financial instruments revaluations	Total
	2017	2017	2017	2017
	£'000	£'000	£'000	£'000

Deferred tax liability

=====

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

No further comments. See above for guidance.

FRS 102 Layout Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

25 Deferred taxation (*continued*)

Deferred tax assets - Group

	2018 £'000	2017 £'000
Defined benefit pension scheme	<u> </u>	<u> </u>

The group has no unused tax losses or credits.

The net reversal of deferred tax assets and liabilities expected in 2019 is £ . This is expected to arise because depreciation is anticipated to be higher than the available capital allowances. However, it should be noted that further reversals (or further increases in deferred tax balances) may arise as a result of revaluations of investment property, financial instruments and changes in the defined benefit pension liability. As the future deferred tax balances, if any, will be dependent on future changes in fair values of assets and liabilities, it is not possible to estimate any further future reversals.

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Share capital

FRS 102 s4.12(a)

An entity with share capital shall disclose the following, either in the statement of financial position or in the notes, for each class of share capital:

- (i) [Deleted]
- (ii) The number of shares issued and fully paid, and issued but not fully paid
- (iii) Par value per share, or that shares have no par value
- (iv) [Deleted]
- (v) The rights, preferences and restrictions attaching to that class of share including restrictions on the distribution of dividends and the repayment of capital
- (vi) Shares in the entity held by the entity or by its subsidiaries, associates or joint ventures
- (vii) Shares reserved for issue under options and contracts for the sale of shares, including the terms and amounts

Sch 1 format note 12 The amount of allotted share capital and the amount of called up share capital which has been paid up must be shown separately.

Sch 1 (47) (1) (a) State the number and total nominal value of shares of each class allotted.
(b) State the number and total nominal value of each class of treasury shares held.

Sch 1 (47) (2) For redeemable shares, give:
(a) the earliest and latest dates for redemption;
(b) whether redemption is mandatory, or at the company's option; and
(c) the amount of any premium payable on redemption.

Sch 1 (48) If the company has allotted shares during the year, give:
(a) the classes of shares allotted, and
(b) as respects each class of shares, the number allotted, their aggregate nominal value, and the consideration received by the company for the allotment

Sch 1 (62) If fixed cumulative dividends are in arrears, the amount and period of arrears for each class of shares

Sch 4 (3) 1) The number, description and amount of the shares in the company held by or on behalf of its subsidiary undertakings must be disclosed.

Contingent liabilities

FRS 102 s21.15

Unless the possibility of any outflow of resources in settlement is remote, an entity shall disclose, for each class of contingent liability at the reporting date, a brief description of the nature of the contingent liability and:

- (a) an estimate of its financial effect;
- (b) an indication of the uncertainties relating to the amount or timing of any outflow; and
- (c) the possibility of any reimbursement.

If it is impracticable to make one or more of these disclosures, that fact shall be stated.

FRS 102 s21.16 If an inflow of economic benefits is probable (more likely than not) but not virtually certain, an entity shall disclose a description of the nature of the contingent assets at the end of the reporting period, and, when practicable, an estimate of their financial effect, measured using the principles set out in paragraphs 21.7 to 21.11. If it is impracticable to make this disclosure, that fact shall be stated.

(continued on next page)

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

26 Share capital

Group and company	2018 £'000	2017 £'000
<i>Allotted, called up and fully paid</i> (2017 –) ordinary shares of p each		

On [date] ordinary shares were issued in settlement of the Convertible Bond 2009. Total consideration was £ . The premium of £ has been credited to the share premium account.

On [date], ordinary shares were issued on the exercise of share options held by employees at an exercise price of p per share. Total consideration was £ and the premium of £ has been credited to the share premium account.

In addition, the company has in issue £1 irredeemable preference shares that are allotted, called up and fully paid. These shares are classified as a financial liability in accordance with FRS 102. These shares pay an annual dividend of %.

27 ESOP shares

The Employee share ownership plan (ESOP) was established in July 2005 to provide for the future obligations of the company for shares awarded under the Senior Executive Savings Related Share Options Scheme and other share based plans which are conditionally awarded to employees rather than being held under option arrangements. Under the scheme the trustee, A Layout Trustees (Guernsey) Limited, purchases the company's ordinary shares in the open market using a £ bank facility guaranteed by FRS 102 Layout Limited which meets the net financing costs. At 31 December 2018 (2017 –) shares held by the ESOP are under option to employees or have been conditionally gifted to them.

28 Contingent liabilities

Group

During the year the group received a writ from a customer in respect of mishandling of goods amounting to £ plus costs and damages arising from an alleged breach of contract. The case had not been resolved when these financial statements were approved by the Board. The directors are of the opinion that the company has an adequate defence and are intending to dispute the claim. Accordingly no provision for any liability from such a claim has been made in the financial statements.

Company

The company has guaranteed bank borrowings of its subsidiaries. At the year end the liabilities covered by these guarantees totalled £ (2017 - £).

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Contingent liabilities

(continued from previous page)

FRS 102 s21.17

In extremely rare cases, disclosure of some or all of the information required by paragraphs 21.15 and 21.16 can be expected to prejudice seriously the position of the entity in a dispute with other parties on the subject matter of the provision, contingent liability or contingent asset. In such cases, an entity need not disclose all of the information required by those paragraphs insofar as it relates to the dispute, but shall disclose at least the following:

In relation to contingent liabilities, the following information shall be given:

- (a) [see Sch 1 (60) (2) below for details as these are the same];
- (b) [see Sch 1 (60) (7) below for details as these are the same]; and
- (c) the fact that, and reason why, the information required by paragraph 21.15 has not been disclosed.

In relation to contingent assets, the entity shall disclose the general nature of the dispute, together with the fact that, and reason why, the information required by paragraph 21.16 has not been disclosed.

Sch 1 (63)

- (1) Particulars must be given of any charge on the assets of the company to secure the liabilities of any other person including the amount secured.
- (2) Particulars and the total amount of any financial commitments, guarantees and contingencies that are not included in the balance sheet must be disclosed.
- (3) An indication of the nature and form of any valuable security given by the company in respect of commitments, guarantees and contingencies within sub-paragraph (2) must be given.
- (4) The total amount of any commitments within sub-paragraph (2) concerning pensions must be separately disclosed.
- (5) Particulars must be given of pension commitments which are included in the balance sheet.
- (6) Where any commitment within sub-paragraph (4) or (5) relates wholly or partly to pensions payable to past directors of the company separate particulars must be given of that commitment.
- (7) The total amount of any commitments, guarantees and contingencies within sub-paragraph (2) which are undertaken on behalf of or for the benefit of—
 - a. any parent undertaking or fellow subsidiary undertaking of the company,
 - b. any subsidiary undertaking of the company, or
 - c. any undertaking in which the company has a participating interest,

must be separately stated and those within each of paragraphs (a), (b) and (c) must also be stated separately from those within any other of those paragraphs.

Company's own accounts: guarantees etc in favour of group undertakings

Sch 1 (73)

Commitments within any of sub-paragraphs (1) to (5) of paragraph 63 (guarantees and other financial commitments) which are undertaken on behalf of or for the benefit of -

- (a) any parent undertaking or fellow subsidiary undertaking, or
- (b) any subsidiary undertaking of the company, must be stated separately from the other commitments within that paragraph, and commitments within paragraph (a) must also be stated separately from those within paragraph (b).

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FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Share-based payments

FRS 102 s26.18	<p>An entity shall disclose the following information about the nature and extent of share-based payment arrangements that existed during the period:</p> <p>(a) A description of each type of share-based payment arrangement that existed at any time during the period, including the general terms and conditions of each arrangement, such as vesting requirements, the maximum term of options granted, and the method of settlement (eg whether in cash or equity). An entity with substantially similar types of share-based payment arrangements may aggregate this information.</p> <p>(b) The number and weighted average exercise prices of share options for each of the following groups of options:</p> <ul style="list-style-type: none">(i) outstanding at the beginning of the period;(ii) granted during the period;(iii) forfeited during the period;(iv) exercised during the period;(v) expired during the period;(vi) outstanding at the end of the period; and(vii) Exercisable at the end of the period.
FRS 102 s26.20	<p>For cash-settled share-based payment arrangements, an entity shall disclose information about how the liability was measured.</p>
FRS 102 s26.21	<p>For share-based payment arrangements that were modified during the period, an entity shall disclose an explanation of those modifications.</p>
FRS 102 s26.22	<p>If the entity is part of a group share-based payment arrangement, and it measures its share-based payment expense on the basis of a reasonable allocation of the expense for the group, it shall disclose that fact and the basis for the allocation (see paragraph 26.16).</p>
FRS 102 s26.23	<p>An entity shall disclose the following information about the effect of share-based payment transactions on the entity's profit or loss for the period and on its financial position:</p> <ul style="list-style-type: none">(a) the total expense recognised in profit or loss for the period; and(b) the total carrying amount at the end of the period for liabilities arising from share-based payment transactions.
Sch 1 (49) (1)	<p>With respect to any option to subscribe for shares and any other right to require the allotment of shares give:</p> <ul style="list-style-type: none">(a) the number, description and amount of the shares in relation to which the right is exercisable,(b) the period during which it is exercisable, and(c) the price to be paid for the shares allotted.

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 *(continued)*

29 Share based payments

FRS 102 Layout Limited operates an equity-settled share based remuneration scheme for employees. All UK employees are eligible to participate in the long term incentive scheme, the only vesting condition being that the individual remains an employee of the group over the three year vesting period.

	Weighted average exercise price (pence) 2018	Number 2018	Weighted average exercise price (pence) 2017	Number 2017
Outstanding at the beginning of the year				
Granted during the year				
Forfeited during the year				
Exercised during the year				
Expired during the year				
	_____	_____	_____	_____
Outstanding at the end of the year	=====	=====	=====	=====

The exercise price of options outstanding at the end of the year ranged between p and p (2017 - p) and their weighted average contractual life was years (2017 - years).

Of the total number of options outstanding at the end of the year, (2017 –) had vested and were exercisable at the end of the year.

The weighted average share price (at the date of exercise) of options exercised during the year was p (2017 -) at the date of exercise of options.

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Share based payments

FRS 102 s26.19

For equity-settled share-based payment arrangements, an entity shall disclose information about how it measured the fair value of goods or services received or the value of the equity instruments granted. If a valuation methodology was used, the entity shall disclose the method and its reason for choosing it.

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

29 Share based payments (*continued*)

The following information is relevant in the determination of the fair value of options granted during the current and previous years under the equity-settled share based remuneration schemes operated by FRS 102 Layout Limited.

	2018	2017
Equity-settled		
Option pricing model used		
Weighted average share price at grant date (pence)		
Exercise price (pence)		
Weighted average contractual life (days)		
Expected volatility		
Expected dividend growth rate		
Risk-free interest rate		

The Black-Scholes option pricing model was used to value the share-based payment awards as it was considered that this approach would result in materially accurate estimate of the fair value of options granted.

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices over the last three years of comparable publically quoted companies.

The share-based remuneration expense comprises:

	2018 £'000	2017 £'000
Equity-settled schemes		

The group did not enter into any share-based payment transactions with parties other than employees during the current or previous periods.

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Acquisitions

FRS 102 s19.25

For each business combination, excluding any group reconstructions, that was effected during the period, the acquirer shall disclose the following:

- (a) the names and descriptions of the combining entities or businesses;
- (b) the acquisition date;
- (c) the percentage of voting equity instruments acquired;
- (d) the cost of the combination and a description of the components of that cost (such as cash, equity instruments and debt instruments);
- (e) the amounts recognised at the acquisition date for each class of the acquiree's assets, liabilities and contingent liabilities, including goodwill;
- (f) [not used]
- (fA) a qualitative description of the nature of intangible assets included in goodwill;
- (g) the useful life of goodwill, and if this cannot be reliably estimated, supporting reasons for the period chosen; and
- (h) the periods in which the excess recognised (negative goodwill) will be recognised in profit or loss.

Sch 6 (13)

In relation to an acquisition which significantly affects the figures shown in the group accounts, the following further information must be given:

- 3) The composition and fair value of the consideration for the acquisition given by the parent company and its subsidiary undertakings must be stated.
- 4) Where the acquisition method of accounting has been adopted, the book values immediately prior to the acquisition, and the fair values at the date of acquisition, of each class of assets and liabilities of the undertaking or group acquired must be stated in tabular form, including a statement of the amount of any goodwill or negative consolidation difference arising on the acquisition, together with an explanation of any significant adjustments made.

FRS 102 s19.25A

The acquirer shall disclose, separately for each material business combination that occurred during the reporting period, the amounts of revenue and profit or loss of the acquiree since the acquisition date included in the consolidated statement of comprehensive income for the reporting period. The disclosure may be provided in aggregate for business combinations that occurred during the reporting period which, individually, are not material.

FRS 102 s19.26

For all business combinations an acquirer shall disclose a reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period, showing separately:

- (a) changes arising from new business combinations;
- (b) amortisation;
- (c) impairment losses;
- (d) disposals of previously acquired businesses; and
- (e) other changes.

This reconciliation need not be presented for prior periods.

FRS 102 s19.26A

For all business combinations an acquirer shall disclose a reconciliation of the carrying amount of the excess recognised (negative goodwill) at the beginning and end of the reporting period, showing separately:

- (a) changes arising from new business combinations;
- (b) amounts recognised in profit or loss in accordance with paragraph 19.24(c);
- (c) disposals of previously acquired businesses; and
- (d) other changes.

This reconciliation need not be presented for prior periods.

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 *(continued)*

30 Business combinations

Acquisition of

On [date] the group acquired 100% of for £ paid in cash.

In calculating the goodwill arising on acquisition, the fair value of net assets of have been assessed and adjustments from book value have been made where necessary.

	Book value	Revaluation of fixed assets	Fair value
	£'000	£'000	£'000
Fixed assets			
Tangible			
Intangible			
Current assets			
Stocks			
Debtors			
Cash at bank and in hand			
	_____	_____	_____
Total assets			
Creditors			
Due within one year			
Deferred tax on differences between fair values and tax bases			
	_____	_____	_____
Net assets			
Goodwill (note 14)			_____
Total purchase consideration (including expenses of £)			_____
Purchase consideration settled in cash, as above			_____
Cash and cash equivalents in subsidiary acquired			_____
Cash outflow on acquisition			_____

The useful economic life of goodwill has been estimated to be years, based on estimates.

Included within goodwill are intangible assets that do not require separate recognition. These intangible assets relate to .

There were no acquisitions in the year ended 31 December 2017.

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Discontinued operations

Sch 6 (15)

Where during the financial year there has been a disposal of an undertaking or group which significantly affects the figure shown in the group accounts, there must be stated in a note to the accounts:

- a) the name of undertaking or parent of group disposed of in the year, and
- b) the extent to which the profit and loss in the group financial statements is attributable to the profit or loss of any undertakings disposed of in the year.

In these financial statements this information is given on the face of the profit and loss account since there is only one such disposal in the period.

Sch 6 (16)

The information in Sch 6 (15) above need not be given in respect of an undertaking established and carrying on its business outside of the UK if disclosure would be seriously prejudicial to the business of the group (provided that the Secretary of State agrees)

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 *(continued)*

30 Business combinations *(continued)*

The results of since its acquisition are as follows:

	Current period since acquisition £'000
Turnover	_____
Profit for the year	=====

31 Discontinued operations

On [date] the group disposed of . The profit on disposal of Bunk Beds Limited has been calculated as follows:

	£'000	£'000
Cash proceeds		
Net assets disposed of:		
Tangible fixed assets		
Stocks		
Debtors		
Cash		
Creditors	_____	
Profit on disposal before tax		_____

The net inflow of cash in respect of the sale of is as follows:

	£'000
Cash consideration	
Cash transferred on disposal	_____
Net inflow of cash	=====

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Commitments under operating leases

FRS 102 s20.16(a) & s20.30(a) A lessee and lessor shall make the following disclosures for operating lease

- (a) the total of future minimum lease payments under non-cancellable operating leases for each of the following periods:
 - (i) not later than one year;
 - (ii) later than one year and not later than five years; and
 - (iii) later than five years.

A lessor shall also disclose:

Total contingent rents recognised as income; and

A general description of the lessor's significant leasing arrangements including, for example, information about contingent rent, renewal or purchase options and escalation clauses, subleases, and restrictions imposed by lease arrangements.

FRS 102 Layout Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

32 Commitments under operating leases

Lessee

The group had minimum lease payments under non-cancellable operating leases as set out below:

	2018 £'000	2017 £'000
Not later than 1 year		
Later than 1 year and not later than 5 years		
Later than 5 years		
Total	_____	_____
	=====	=====

The company had no commitments under non-cancellable operating leases as at the balance sheet date.

Lessor

The group leases out the investment properties under non-cancellable operating leases for the following future minimum lease payments. There are no contingent rents.

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Not later than 1 year				
Later than 1 year and not later than 5 years				
Later than 5 years				
Total	_____	_____	_____	_____
	=====	=====	=====	=====

FRS 102 Layout Limited Guidance Notes

SOURCE

COMMENTS

Related parties

FRS 102 s33.5

Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been related party transactions. An entity shall disclose the name of its parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces financial statements available for public use, the name of the next most senior parent that does so (if any) shall also be disclosed.

FRS 102 s33.7

An entity shall disclose key management personnel compensation in total.

FRS 102 s33.7A

When an entity is subject to a legal or regulatory requirement to disclose directors' remuneration (or equivalent), it is exempt from the requirements of paragraph 33.7 if the key management personnel and directors are the same. When an entity takes advantage of this exemption it is not required by paragraph 33.9 to provide additional disclosure about directors' share-based payment arrangements.

FRS 102 s33.8

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. Examples of related party transactions that are common to entities within the scope of FRS 102 include, but are not limited to:

- (a) transactions between an entity and its principal owner(s);
- (b) transactions between an entity and another entity when both entities are under the common control of a single entity or person; and
- (c) transactions in which an entity or person that controls the reporting entity incurs expenses directly that otherwise would have been borne by the reporting entity.

FRS 102 s33.9
Sch 1 (72)

If an entity has related party transactions, it shall disclose the nature of the related party relationship as well as information about the transactions, outstanding balances and commitments necessary for an understanding of the potential effect of the relationship on the financial statements. Those disclosure requirements are in addition to the requirements in paragraph 33.7 to disclose key management personnel compensation. At a minimum, disclosures shall include:

- (a) The amount of the transactions.
- (b) The amount of outstanding balances and:
 - (i) their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and
 - (ii) details of any guarantees given or received.
- (c) Provisions for uncollectible receivables related to the amount of outstanding balances.
- (d) The expense recognised during the period in respect of bad or doubtful debts due from related parties.

Such transactions could include purchases, sales, or transfers of goods or services, leases, guarantees and settlements by the entity on behalf of the related party or vice versa.

Note: When, in accordance with paragraph 33.7A, an entity takes advantage of the exemption from disclosing key management personnel compensation it is not required, by this paragraph, to provide additional disclosure about directors' share-based payment arrangements.

FRS 102 s33.10

These disclosures shall be shown separately for each of the following categories:

- (a) entities with control, joint control or significant influence over the entity;
- (b) entities over which the entity has control, joint control or significant influence;
- (c) key management personnel of the entity or its parent (in the aggregate);
- (d) entities that provide key management personnel services to the entity; and
- (e) other related parties.

[Continued on next Guidance Notes page]

FRS 102 Layout Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

33 Related party disclosures

There is no ultimate controlling party of FRS 102 Layout Limited.

Sales of £ (2017 - £) were made during the year by to . A major shareholder of is also a director of FRS 102 Layout Limited. All transactions were conducted on an arm's length basis on normal trading terms. At 31 December 2018, £ (2017 - £) was owed to .

Also, sales of £ (2017 - £) were made on normal trading terms to subsidiaries of , an American listed company in which a director has a controlling interest. As at 31 December 2018, £ (2017 - £) was owed by these companies.

Joint venture and associated companies

The following transactions took place between the group and its joint venture and associated companies during the year:

	2018 £'000	2017 £'000
Net short-term loan movements advances/(repayments)		
Net sales and purchases of goods and services		
Management fees received		
Dividends received		
	=====	=====

The following receivable balances relating to joint ventures were included in the consolidated balance sheet:

	2018 £'000	2017 £'000
Short-term loans		
Trading balances		
Management fees		
	=====	=====

The directors received dividends in aggregate on the same terms as the other shareholders, of £ (2017 - £).

The company debtor due from joint ventures and associated undertakings of £ (2017 - £) (note 18) represents a trading balance.

Key management personnel include all directors and a number of senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group was £ (2017: £).

FRS 102 Layout Limited Guidance Notes

SOURCE	COMMENTS
Related parties (<i>continued</i>)	
FRS 102 s33.13	An entity shall not state that related party transactions were made on terms equivalent to those that prevail in arm's length transactions unless such terms can be substantiated.
FRS 102 s33.14	An entity may disclose items of a similar nature in the aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the entity.
Capital commitments	
Sch 1 (63)	(3) There must be stated, where practicable, the aggregate amount or estimated amount of contracts for capital expenditure, so far as not provided for. (5) Particulars must also be given of any other financial commitments that - (a) have not been provided for, and (b) are relevant to assessing the company's state of affairs.
FRS 102 s17.32(b)	The entity shall disclose the amount of contractual commitments for the acquisition of property, plant and equipment.
FRS 102 s16.10(d)	An entity shall disclose any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements for all investment property accounted for at fair value through profit or loss.
Events after the end of the reporting period	
FRS 102 s32.9	An entity shall disclose the date the financial statements were authorised for issue and who gave that authorisation.
FRS 102 s32.10	An entity shall disclose the following for each category of non-adjusting event after the end of the reporting period: (a) the nature of the event; and (b) an estimate of its financial effect or a statement that such an estimate cannot be made.
Sch 1 (72A)	The nature and financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet must be stated.
Net debt reconciliation	
FRS 102 s7.22	An entity shall disclose an analysis of changes in net debt from the beginning to the end of the reporting period showing changes resulting from: (a) the cash flows of the entity; (b) the acquisition and disposal of subsidiaries; (c) new finance leases entered into; (d) other non-cash changes; and (e) the recognition of changes in market value and exchange rate movements. When several balances (or parts thereof) from the statement of financial position have been combined to form the components of opening and closing net debt, sufficient detail shall be shown to enable users to identify these balances. This analysis need not be presented for prior periods. <i>Definition: Net debt consists of the borrowings of an entity, together with any related derivatives and obligations under finance leases, less any cash and cash equivalents.</i>

FRS 102 Layout Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

34 Capital commitments

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Contracted but not provided for - inventory				

35 Net debt reconciliation

	1 January 2018 £'000	Cash flows £'000	Acquisition & disposal of subsidiaries £'000	New finance leases £'000	Other non-cash changes £'000	31 December 2018 £'000
Cash at bank and in hand						
Bank overdrafts						
Obligations under finance leases						
Bank loans						
Convertible loan						
Preference shares						
Interest rate swap						
Net debt						

Non-cash movements relate to:

- Obligations under finance leases: during the year the group entered into new finance leases in respect of assets with a total capital value at the inception of the leases of £ .
- Bank loans: as at 31 December 2018 debt issue costs totalling £ had been paid and amortised to profit or loss.
- Convertible loan: this represents the conversion of the loan into share capital – see note 26
- Interest rate swap: this represents the movement in the fair value of the derivative – see note 22.

36 Post balance sheet events

FRS 102 Layout Limited

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