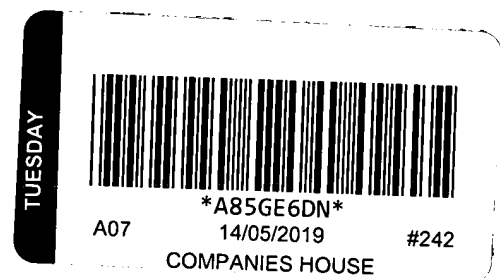


CONNECT SCAFFOLDING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2019



CONNECT SCAFFOLDING LIMITED

COMPANY INFORMATION

DIRECTOR	Mr O J Cave
REGISTERED NUMBER	3893139
REGISTERED OFFICE	Hadham Road Bishop's Stortford Hertfordshire CM23 1JH
TRADING ADDRESS	Hadham Road Bishop's Stortford Hertfordshire CM23 1JH
INDEPENDENT AUDITORS	Price Bailey LLP Chartered Accountants & Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

CONNECT SCAFFOLDING LIMITED

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CONNECT SCAFFOLDING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2019

BUSINESS REVIEW

Connect Scaffolding provides high quality scaffolds, hoists and access solutions across the South East of England.

The business continues to grow as planned; sales have increased by 9% to £16,584,232 (2017 - £15,212,157).

With the recent collapse of some major construction industry players, the market in general remains extremely competitive. The Team at Connect operate across all industry sectors, which means we do not have overreliance on any one specific area, providing us resilience in times of change. In order to deliver our exemplary customer service, we continue to focus strongly on our key asset, our people. We have continued to invest in our team over the last twelve months and continue to offer apprenticeships and other forms of vocational training. We encourage and support all our staff to engage in lifelong learning.

We have retained all our key supply chain credentials. We pride ourselves on delivering our services to our customers safely and sustainably and helping them to reduce the environmental impact of their activities.

We plan to consolidate this year and focus on further improving efficiencies across the business. We have started the year with strong order book, for both new and repeat business, which sets us in good stead to deliver against our targets for the coming year.

PRINCIPAL RISKS AND UNCERTAINTIES

Although we operate solely within the UK, our business is affected by global economic conditions. There have been some significant price increases on our key equipment resources, which are mainly purchased from Europe. As we further progress towards exiting from the European Union, we will inevitably see further change, although this is still, as yet unquantifiable.

We continue to invest in research and development of new systems of work and equipment, which carries some risk and uncertainty.

Demand and competition for quality skilled labour, an increasingly scarce resource, remains the most significant risk for our business.

FINANCIAL KEY PERFORMANCE INDICATORS

The principal goal of the business is to achieve sustainable growth and maximum return through delivering exceptional service to our customers and creating opportunity for all our employees.

Management focus on KPI's in each department is helping to achieve Company objectives.

This report was approved by the board and signed on its behalf.



Mr O J Cave
Director

Date: 07/05/19

CONNECT SCAFFOLDING LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 JANUARY 2019

The Director presents his report and the financial statements for the year ended 31 January 2019.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £864,467 (2018 - £928,465).

DIRECTOR

The Director who served during the year was:

Mr O J Cave

AUDITORS

Under section 487(2) of the Companies Act 2006, Price Bailey LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

DISCLOSURE OF INFORMATION TO AUDITORS

The Director at the time when this Director's Report is approved has confirmed that:

- so far as is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

CONNECT SCAFFOLDING LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

DIRECTOR'S RESPONSIBILITIES STATEMENT

The Director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

The Director is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Director's Reports may differ from legislation in other jurisdictions.

This report was approved by the board and signed on its behalf.



Mr O J Cave
Director

Date: 07/05/19

CONNECT SCAFFOLDING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CONNECT SCAFFOLDING LIMITED

OPINION

We have audited the financial statements of Connect Scaffolding Limited (the 'Company') for the year ended 31 January 2019, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The Director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

CONNECT SCAFFOLDING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CONNECT SCAFFOLDING LIMITED (CONTINUED)

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Director's Report.

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Director's Responsibilities Statement on page 3, the Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

CONNECT SCAFFOLDING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CONNECT SCAFFOLDING LIMITED (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

Richard Vass (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

Date: 9 May 2019

CONNECT SCAFFOLDING LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 JANUARY 2019

	Note	2019 £	2018 £
Turnover	3	16,584,232	15,212,157
Cost of sales		(14,414,172)	(13,106,751)
GROSS PROFIT		<u>2,170,060</u>	<u>2,105,406</u>
Administrative expenses		(1,447,767)	(1,577,015)
Other operating income	4	195,011	208,175
OPERATING PROFIT	5	<u>917,304</u>	<u>736,566</u>
Interest receivable and similar income	8	2,645	1,893
Interest payable and expenses	9	-	(874)
PROFIT BEFORE TAX		<u>919,949</u>	<u>737,585</u>
Tax on profit	10	(55,482)	190,880
PROFIT AFTER TAX		<u>864,467</u>	<u>928,465</u>
Retained earnings at the beginning of the year		8,597,453	7,668,988
Profit for the year		864,467	928,465
RETAINED EARNINGS AT THE END OF THE YEAR		<u>9,461,920</u>	<u>8,597,453</u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the Statement of Income and Retained Earnings.

The notes on pages 10 to 22 form part of these financial statements.

CONNECT SCAFFOLDING LIMITED
REGISTERED NUMBER: 3893139

STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	12	1,160,304	984,487
CURRENT ASSETS			
Debtors: amounts falling due within one year	13	8,637,698	9,511,604
Cash at bank and in hand	14	936,063	489,292
		<u>9,573,761</u>	<u>10,000,896</u>
Creditors: amounts falling due within one year	15	(1,232,018)	(1,640,049)
NET CURRENT ASSETS		<u>8,341,743</u>	<u>8,360,847</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,502,047</u>	<u>9,345,334</u>
Creditors: amounts falling due after more than one year	16	-	(668,784)
PROVISIONS FOR LIABILITIES			
Deferred tax	19	(40,117)	(39,947)
Other provisions		-	(39,140)
		<u>(40,117)</u>	<u>(79,087)</u>
NET ASSETS		<u><u>9,461,930</u></u>	<u><u>8,597,463</u></u>
CAPITAL AND RESERVES			
Called up share capital	21	6	6
Capital redemption reserve		4	4
Profit and loss account		9,461,920	8,597,453
		<u><u>9,461,930</u></u>	<u><u>8,597,463</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Mr O J Cave
 Director

Date: 07/05/19

The notes on pages 10 to 22 form part of these financial statements.

CONNECT SCAFFOLDING LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JANUARY 2019

	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial period	868,269	928,465
ADJUSTMENTS FOR:		
Depreciation of tangible assets	278,610	376,296
Loss on disposal of tangible assets	10,226	(771)
Interest paid	-	874
Interest received	(2,645)	(1,893)
Taxation charge	51,680	(190,880)
Decrease/(increase) in debtors	278,992	(151,649)
Decrease/(increase) in amounts owed by groups	650,557	(1,409,333)
(Decrease) in creditors	(108,582)	(267,702)
Corporation tax (paid)	(118,328)	(196,204)
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>1,908,779</u>	<u>(912,797)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(484,720)	(958,751)
Sale of tangible fixed assets	20,067	1,067
Interest received	2,645	1,893
NET CASH FROM INVESTING ACTIVITIES	<u>(462,008)</u>	<u>(955,791)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
New secured loans	(1,000,000)	1,000,000
Interest paid	-	(874)
NET CASH USED IN FINANCING ACTIVITIES	<u>(1,000,000)</u>	<u>999,126</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>446,771</u>	<u>(869,462)</u>
Cash and cash equivalents at beginning of year	489,292	1,358,754
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>936,063</u>	<u>489,292</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	<u>936,063</u>	<u>489,292</u>

The notes on pages 10 to 22 form part of these financial statements.

CONNECT SCAFFOLDING LIMITED

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

1. GENERAL INFORMATION

Connect Scaffolding Limited is a private Company limited by shares, incorporated in England and Wales. The address of its registered office is Hadham Road, Bishop's Stortford, Hertfordshire, CM23 1JH.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

CONNECT SCAFFOLDING LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model 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 Company 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 Company. 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line or reducing balance method.

Depreciation is provided on the following basis:

Short term Leasehold Property	-	10% straight line
Plant and machinery	-	10% straight line
Motor vehicles	-	25% reducing balance
Office equipment	-	25% straight line
Computer equipment	-	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or 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 in the Statement of Income and Retained Earnings.

2.5 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.6 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

CONNECT SCAFFOLDING LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.8 FINANCIAL INSTRUMENTS

The Company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

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

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

2.9 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 FINANCE COSTS

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest 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.

2.11 PENSIONS

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

CONNECT SCAFFOLDING LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.12 INTEREST INCOME

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.13 BORROWING COSTS

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.14 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.15 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and 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 operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

3. TURNOVER

The whole of the turnover is attributable to that of scaffolding specialists.

All turnover arose within the United Kingdom.

CONNECT SCAFFOLDING LIMITED

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

4. OTHER OPERATING INCOME

	2019 £	2018 £
Other operating income	195,011	208,175

5. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	278,610	376,296
Fees payable to the Company's audits and its associates for the audit of the Company's annual financial statements	7,650	7,650
Other operating lease rentals	60,493	60,427
Defined contribution pension cost	105,060	58,402

6. EMPLOYEES

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	7,161,062	6,739,225
Social security costs	719,036	674,884
Cost of defined contribution scheme	105,060	58,402
	7,985,158	7,472,511

The average monthly number of employees, including the Director, during the year was as follows:

	2019 No.	2018 No.
Administration	17	20
Operations Management	25	21
Operatives	163	156
	205	197

CONNECT SCAFFOLDING LIMITED

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

7. DIRECTOR'S REMUNERATION

	2019 £	2018 £
Company contributions to defined contribution pension schemes	10,000	10,000

During the year retirement benefits were accruing to 1 Director (2018 - 1) in respect of defined contribution pension schemes.

8. INTEREST RECEIVABLE

	2019 £	2018 £
Other interest receivable	2,645	1,893

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Bank interest payable	-	874

10. TAXATION

	2019 £	2018 £
CORPORATION TAX		
Current tax on profits for the year	176,118	120,808
Adjustments in respect of previous periods	(120,806)	(127,917)
Group taxation relief	-	53,200
TOTAL CURRENT TAX	55,312	46,091
DEFERRED TAX		
Origination and reversal of timing differences	170	(236,971)
TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	55,482	(190,880)

CONNECT SCAFFOLDING LIMITED

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

10. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19.16%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	919,949	737,585
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19.16%)	174,790	141,321
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,498	(62,608)
Capital allowances for year in excess of depreciation	-	(46,939)
Adjustments to tax charge in respect of prior periods	(120,806)	(127,917)
Changes to tax rate leading to an increase (decrease) in the tax charge	-	(41,537)
Group relief	-	(53,200)
TOTAL TAX CHARGE FOR THE YEAR	55,482	(190,880)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

CONNECT SCAFFOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

11. INTANGIBLE ASSETS

	Goodwill £
Cost	
At 1 February 2018	2,500,000
At 31 January 2019	<u>2,500,000</u>
Amortisation	
At 1 February 2018	2,500,000
At 31 January 2019	<u>2,500,000</u>
Net book value	
At 31 January 2019	<u>-</u>
At 31 January 2018	<u>-</u>

CONNECT SCAFFOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

12. TANGIBLE FIXED ASSETS

	Short Term Leasehold Property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 February 2018	78,169	562,924	1,426,593	172,871	2,240,557
Additions	-	99,304	366,968	18,448	484,720
Disposals	-	-	(88,760)	-	(88,760)
At 31 January 2019	<u>78,169</u>	<u>662,228</u>	<u>1,704,801</u>	<u>191,319</u>	<u>2,636,517</u>
Depreciation					
At 1 February 2018	48,292	213,055	872,883	121,840	1,256,070
Charge for the year on owned assets	5,457	57,316	192,779	23,058	278,610
Disposals	-	-	(58,467)	-	(58,467)
At 31 January 2019	<u>53,749</u>	<u>270,371</u>	<u>1,007,195</u>	<u>144,898</u>	<u>1,476,213</u>
Net book value					
At 31 January 2019	<u>24,420</u>	<u>391,857</u>	<u>697,606</u>	<u>46,421</u>	<u>1,160,304</u>
At 31 January 2018	<u>29,877</u>	<u>349,869</u>	<u>553,710</u>	<u>51,031</u>	<u>984,487</u>

13. DEBTORS

	2019 £	2018 £
Trade debtors	3,077,528	3,032,774
Amounts owed by group undertakings	5,176,064	5,836,621
Other debtors	61,849	154,509
Prepayments and accrued income	322,257	487,700
	<u>8,637,698</u>	<u>9,511,604</u>

14. CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	<u>936,063</u>	<u>489,292</u>

CONNECT SCAFFOLDING LIMITED

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

15. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Bank loans	-	331,216
Trade creditors	236,624	205,723
Amounts owed to group undertakings	-	10,000
Other taxation and social security	700,907	720,514
Other creditors	1,224	854
Accruals and deferred income	293,263	371,742
	<u>1,232,018</u>	<u>1,640,049</u>

16. CREDITORS: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans	-	668,784
	<u>-</u>	<u>668,784</u>

17. LOANS

Analysis of the maturity of loans is given below:

	2019 £	2018 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	-	331,216
AMOUNTS FALLING DUE 1-2 YEARS		
Bank loans	-	337,163
AMOUNTS FALLING DUE 2-5 YEARS		
Bank loans	-	331,621
	<u>-</u>	<u>1,000,000</u>

CONNECT SCAFFOLDING LIMITED

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

18. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	936,063	489,292
Financial assets that are debt instruments measured at amortised cost	8,407,478	9,023,904
	<u>9,343,541</u>	<u>9,513,196</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(586,360)	(1,587,465)

Financial assets measured at fair value through profit or loss comprise the cash balance.

Financial assets measured at amortised cost comprise trade and other debtors, and amounts owed by group companies.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, deferred income and other creditors.

19. DEFERRED TAXATION

	2019 £	2018 £
At beginning of year	39,947	276,918
Charged to the profit or loss	170	(236,971)
AT END OF YEAR	<u>40,117</u>	<u>39,947</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	41,817	41,647
Other timing differences	(1,700)	(1,700)
	<u>40,117</u>	<u>39,947</u>

CONNECT SCAFFOLDING LIMITED

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

20. PROVISIONS

	Other provision £
At 1 February 2018	39,140
Utilised in year	(39,140)
AT 31 JANUARY 2019	-

Other provision utilised in the year is in relation to remedy works for site under construction under the terms of lease agreements.

21. SHARE CAPITAL

	2019 £	2018 £
Allotted, called up and fully paid		
6 (2018 - 6) Ordinary shares of £1 each	6	6

22. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £95,060 (2018 - £48,402). Contributions totalling £10,000 (2018 - £10,000) were payable to the fund at the Statement of Financial Position date and are included in creditors.

23. COMMITMENTS UNDER OPERATING LEASES

At 31 January 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	60,000	60,000
Later than 1 year and not later than 5 years	240,000	240,000
Later than 5 years	290,000	350,000
	590,000	650,000

CONNECT SCAFFOLDING LIMITED

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

24. RELATED PARTY TRANSACTIONS

During the year, the Company made payments in respect of hire of equipment totalling £1,194,506 (2018 - £1,179,007) to and recharged expenses totalling £NIL (2018 - £18,805) to Connect Scaffolding, a partnership of which the Director is a Partner. The amount due to them at the year end was £NIL (2018 - £NIL).

During the year, the Company received computer consultancy services totalling £11,895 (2018 - £11,895), from Strikesoft Limited, a Company under common control of the Director. The amount owed to them at the year end was £NIL (2018 - £NIL).

The Company has taken advantage of the exemption under FRS 102 (Section 33.1A) not to disclose transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly-owned by such a member.

25. CONTROLLING PARTY

The immediate and ultimate parent Company is Connect Access Group Limited.

The ultimate controlling party is Mr O J Cave.