

CONNECT SCAFFOLDING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2021

CONNECT SCAFFOLDING LIMITED

COMPANY INFORMATION

DIRECTOR	Mr O J Cave
REGISTERED NUMBER	03893139
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 2021

BUSINESS REVIEW

Connect Scaffolding are an award winning provider of high quality scaffolds, access and hoist solutions across the South East.

Turnover reduced by 15% in the year £13,542,553 compared to (2020 - £15,961,455).

Our focus on consolidating growth, driving efficiencies and margin improvement has continued throughout the year however COVID-19 has negatively impacted our revenue and operating costs continued to rise due to Brexit, which has resulted in a decrease of Gross profit 13.5% down from (2020 - 15%).

Despite the impact of COVID-19 the continued commitment and professionalism shown by the Team on site, in the yard, the offices and those that have adapted to working from home has been exceptional and enabled us to continue throughout to deliver the exemplary customer service our business is built on.

We focus strongly on investing in our people to develop their potential. We encourage and support all our staff to engage in lifelong learning and continue to offer apprenticeships and other forms of vocational training.

As always, the markets we operate in remain extremely competitive. The wide-ranging knowledge, skills, and experience across the Team at Connect enable us to operate across all industry sectors, including construction, industrial, heritage, infrastructure, rail and asbestos, giving us some resilience to market changes.

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 have again retained all our key supply chain credentials, including NASC audited membership, FORS Gold for our vehicle fleet and for the 6th consecutive year we achieved the RoSPA Gold medal award.

This year has been the most challenging year our business has ever encountered however we have adapted to ensure we are following Government policy, CLC and industry advice and our operations are being undertaken safely adopting clear rules on social distancing.

Our plan is to continue the great work the team has done in adapting the business to continue working in this unprecedented time and continue focus on streamlining, reducing costs, and further improving efficiencies.

As ever I am extremely proud and grateful to our remarkable teams, their hard work, professionalism, and commitment is what sets us apart and I'm confident will help steer us through these challenging times ahead.

PRINCIPAL RISKS AND UNCERTAINTIES

COVID-19 provides many uncertainties for the future economy, the full impact is still unknown and causes significant risks to the business, ongoing developments are being carefully monitored.

The aftereffects of Brexit on the business are still not wholly identified and cause significant risk to the supply chain for the business, ongoing developments are being carefully monitored.

Our continuing activities in research and development of new technology, systems of work and equipment continues to carry some risk and uncertainty.

The Leadership Team is confident through continuous monitoring and review of our business strategy, policies and procedures these risks, and uncertainties can be appropriately managed, and their effects mitigated.

CONNECT SCAFFOLDING LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2021**

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. Overall a good set of results despite the challenges.

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

Mr O J Cave

Director

Date: 23 September 2021

CONNECT SCAFFOLDING LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 JANUARY 2021**

The Director presents his report and the financial statements for the year ended 31 January 2021.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £807,454 (2020 - £867,534).

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.

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2021**

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: 23 September 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONNECT SCAFFOLDING LIMITED

OPINION

We have audited the financial statements of Connect Scaffolding Limited (the 'Company') for the year ended 31 January 2021, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position 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 2021 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

In auditing the financial statements, we have concluded that the Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director with respect to going concern are described in the relevant sections of this report.

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

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.

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 set out on page 4, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management around actual and potential litigation and claims, and any known instances of non-compliance;
- reviewing minutes of meetings of those charged with governance;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- reviewing our work throughout the audit file for evidence of non-compliance.

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: 23 September 2021

CONNECT SCAFFOLDING LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 JANUARY 2021

	Note	2021 £	2020 £
Turnover	3	13,542,553	15,961,455
Cost of sales		(11,715,533)	(13,556,745)
GROSS PROFIT		<u>1,827,020</u>	<u>2,404,710</u>
Administrative expenses		(1,697,540)	(1,636,888)
Other operating income	4	<u>686,442</u>	<u>108,091</u>
OPERATING PROFIT	5	815,922	875,913
Interest receivable and similar income	8	<u>3,233</u>	<u>7,510</u>
PROFIT BEFORE TAX		819,155	883,423
Tax on profit	9	(11,701)	(15,889)
PROFIT AFTER TAX		<u>807,454</u>	<u>867,534</u>
Retained earnings at the beginning of the year		10,329,454	9,461,920
Profit for the year		<u>807,454</u>	<u>867,534</u>
RETAINED EARNINGS AT THE END OF THE YEAR		<u>11,136,908</u>	<u>10,329,454</u>

There were no recognised gains and losses for 2021 or 2020 other than those included in the Statement of Income and Retained Earnings.

The notes on pages 10 to 20 form part of these financial statements.

CONNECT SCAFFOLDING LIMITED
REGISTERED NUMBER: 03893139

STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	11	1,145,710	1,410,398
CURRENT ASSETS			
Debtors: amounts falling due within one year	12	5,610,446	7,185,673
Cash at bank and in hand	13	5,478,851	2,827,801
		<u>11,089,297</u>	<u>10,013,474</u>
Creditors: amounts falling due within one year	14	(1,024,497)	(1,015,866)
NET CURRENT ASSETS		<u>10,064,800</u>	<u>8,997,608</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,210,510</u>	<u>10,408,006</u>
PROVISIONS FOR LIABILITIES			
Deferred tax	15	(73,592)	(78,542)
NET ASSETS		<u><u>11,136,918</u></u>	<u><u>10,329,464</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	6	6
Capital redemption reserve		4	4
Profit and loss account		<u>11,136,908</u>	<u>10,329,454</u>
		<u><u>11,136,918</u></u>	<u><u>10,329,464</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: 23 September 2021

The notes on pages 10 to 20 form part of these financial statements.

CONNECT SCAFFOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

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 Company's functional and presentational currency is that of Pounds Sterling.

The following principal accounting policies have been applied:

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Connect Access Group Limited as at 31 January 2021 and these financial statements may be obtained from Companies House.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.3 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.

2.4 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.

2.5 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.5 TANGIBLE FIXED ASSETS (continued)

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 profit or loss.

2.6 OPERATING LEASES: THE COMPANY AS LESSEE

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

2.7 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.

2.8 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.9 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.

2.10 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.

2.11 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 profit or loss 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 the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.12 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

CONNECT SCAFFOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

2. ACCOUNTING POLICIES (CONTINUED)

Position. The assets of the plan are held separately from the Company in independently administered funds.

2.13 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.14 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

Corporation tax relief in respect of Research & Development claims is recognised on receipt rather than on an accruals basis.

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.

4. OTHER OPERATING INCOME

	2021 £	2020 £
Other operating income	64,331	108,091
Coronavirus Job Retention Scheme	622,111	-
Total	686,442	108,091

CONNECT SCAFFOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

5. OPERATING PROFIT

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	324,442	343,801
Fees payable to the Company's audits and its associates for the audit of the Company's annual financial statements	8,600	8,200
Other operating lease rentals	60,512	60,235
Defined contribution pension cost	<u>115,732</u>	<u>140,772</u>

6. EMPLOYEES

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	5,544,082	6,549,335
Social security costs	550,799	656,412
Cost of defined contribution scheme	115,732	140,772
	<u>6,210,613</u>	<u>7,346,519</u>

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

	2021 No.	2020 No.
Administration	17	18
Operations Management	23	27
Operatives	111	135
	<u>151</u>	<u>180</u>

7. DIRECTOR'S REMUNERATION

	2021 £	2020 £
Company contributions to defined contribution pension schemes	<u>-</u>	<u>10,000</u>

During the year retirement benefits were accruing to no Director (2020 - 1) in respect of defined contribution pension schemes.

CONNECT SCAFFOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

8. INTEREST RECEIVABLE

	2021 £	2020 £
Other interest receivable	<u>3,233</u>	<u>7,510</u>

9. TAXATION

	2021 £	2020 £
CORPORATION TAX		
Current tax on profits for the year	170,233	128,478
Adjustments in respect of previous periods	(153,582)	(151,014)
TOTAL CURRENT TAX	<u>16,651</u>	<u>(22,536)</u>
DEFERRED TAX		
Origination and reversal of timing differences	(4,950)	38,425
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>11,701</u>	<u>15,889</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>819,155</u>	<u>883,423</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	155,639	167,850
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,214	4,524
Utilisation of tax losses	(3,495)	-
Adjustments to tax charge in respect of prior periods	(153,582)	(151,014)
Short term timing difference leading to an increase (decrease) in taxation	8,925	(5,471)
TOTAL TAX CHARGE FOR THE YEAR	<u>11,701</u>	<u>15,889</u>

The adjustments to tax charge in respect of prior periods relate entirely to Research & Development claims. These claims are recognised on receipt rather than on an accruals basis.

CONNECT SCAFFOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

9. TAXATION (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

10. INTANGIBLE ASSETS

	Goodwill £
COST	
At 1 February 2020	2,500,000
At 31 January 2021	<u>2,500,000</u>
AMORTISATION	
At 1 February 2020	2,500,000
At 31 January 2021	<u>2,500,000</u>
NET BOOK VALUE	
At 31 January 2021	<u>-</u>
At 31 January 2020	<u>-</u>

CONNECT SCAFFOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

11. TANGIBLE FIXED ASSETS

	Short Term Leasehold Property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 February 2020	78,169	763,926	1,977,333	214,538	3,033,966
Additions	-	-	72,621	5,156	77,777
Disposals	-	-	(201,164)	-	(201,164)
At 31 January 2021	<u>78,169</u>	<u>763,926</u>	<u>1,848,790</u>	<u>219,694</u>	<u>2,910,579</u>
DEPRECIATION					
At 1 February 2020	59,129	332,443	1,061,378	170,618	1,623,568
Charge for the year on owned assets	5,227	65,224	233,033	20,958	324,442
Disposals	-	-	(183,141)	-	(183,141)
At 31 January 2021	<u>64,356</u>	<u>397,667</u>	<u>1,111,270</u>	<u>191,576</u>	<u>1,764,869</u>
NET BOOK VALUE					
At 31 January 2021	<u>13,813</u>	<u>366,259</u>	<u>737,520</u>	<u>28,118</u>	<u>1,145,710</u>
At 31 January 2020	<u>19,040</u>	<u>431,483</u>	<u>915,955</u>	<u>43,920</u>	<u>1,410,398</u>

12. DEBTORS

	2021 £	2020 £
Trade debtors	2,416,539	2,725,336
Amounts owed by group undertakings	2,623,459	4,035,950
Other debtors	37,227	138,823
Prepayments and accrued income	533,221	285,564
	<u>5,610,446</u>	<u>7,185,673</u>

13. CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank and in hand	<u>5,478,851</u>	<u>2,827,801</u>

CONNECT SCAFFOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

14. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	235,507	198,031
Amounts owed to group undertakings	52,822	-
Corporation tax	91,474	-
Other taxation and social security	473,102	630,736
Other creditors	5,647	7,267
Accruals and deferred income	165,945	179,832
	<u>1,024,497</u>	<u>1,015,866</u>

15. DEFERRED TAXATION

	2021 £	2020 £
At beginning of year	78,542	40,117
Charged to profit or loss	(4,950)	38,425
AT END OF YEAR	<u>73,592</u>	<u>78,542</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	75,805	80,242
Other timing differences	(2,213)	(1,700)
	<u>73,592</u>	<u>78,542</u>

16. SHARE CAPITAL

	2021 £	2020 £
Allotted, called up and fully paid		
6 (2020 - 6) Ordinary shares of £1 each	<u>6</u>	<u>6</u>

CONNECT SCAFFOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

17. 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 £115,732 (2020- £130,772). Contributions totalling £11,647 (2020 - £16,820) were payable to the fund at the Statement of Financial Position date and are included in creditors.

18. COMMITMENTS UNDER OPERATING LEASES

At 31 January 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
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	170,000	230,000
	<u>470,000</u>	<u>530,000</u>

19. RELATED PARTY TRANSACTIONS

During the year, the Company made payments in respect of hire of equipment totalling £1,322,250 (2020 - £1,322,372) to and recharged expenses totalling £NIL (2020 - £NIL) to a partnership of which the Director is a Partner. The amount due from them at the year end was £27,975 (2020 - £63,307).

During the year, the Company received computer consultancy services totalling £12,660 (2020 - £11,490), from a Company under common control of the Director. The amount owed to them at the year end was £NIL (2020 - £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.

20. CONTROLLING PARTY

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

The ultimate controlling party is Mr O J Cave.

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