

MAJOR'S PLACE INDUSTRIES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020



Registered number: SC075748

MAJOR'S PLACE INDUSTRIES LIMITED

COMPANY INFORMATION

Directors	Sir A Grossart CBE QC B J W Lambie
Company secretary	W K Ramage
Registered number	SC075748
Registered office	24 Russell Road Edinburgh EH11 2LS
Independent auditor	Scott-Moncrieff Audit Services Statutory Auditor Exchange Place 3 Semple Street Edinburgh EH3 8BL

MAJOR'S PLACE INDUSTRIES LIMITED

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INTRODUCTION

The directors present their strategic report for Major's Place Industries Limited for the year ended 31 January 2020.

PRINCIPAL ACTIVITIES

The Group continued its principal activities as specialist façade contractors throughout the current financial year.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS

Management continually monitor the key risks facing the Group together with assessing the controls used for managing these risks. The board of directors regularly formally review and document the principal risks facing the business.

The principal risks and uncertainties facing the Group are as follows:

- The main risk to the business is a widespread reduction in construction activity in the UK. Fewer available projects will lead to increased competition between contractors and financial performance can be impacted by tighter margins and reduced turnover. The Group continues to improve operating efficiency and has a strong, well-capitalised balance sheet that is capable of surviving macro-economic shocks;
- There are still industry wide supply chain pressures in terms of price, availability of key material & services and;
- The impact of Brexit is still relatively unknown as the key negotiations have not yet been concluded. The Group has considered the additional costs and time pressures on certain key materials that are imported from Europe and key supply chain partners have increased their UK stockholding where possible to alleviate extended material lead times.

REVIEW OF BUSINESS AND KEY PERFORMANCE INDICATORS

As reported in the Statement of Comprehensive Income, turnover increased in the year by 35% from £13.77m to £18.56m. Operating profit increased from £94,782 to £894,915 and profit before taxation increased from £100,537 to £901,598. The gross margin increased to 24.45% compared to 23.78% for the previous year. The net profit margin increased from 0.73% to 4.86%.

The Consolidated Statement of Financial Position shows that the Group's net assets at the end of the year increased by £758,270 to £6.32m. Debtors increased by £2,691,990 and creditors less than one year increased by £2,821,203. The liquidity of the Group improved with net current assets increasing from £3.93m to £4.61m and cash at bank remained strong at £4.11m.

The increased strength of the Consolidated Statement of Financial Position, despite previous challenging trading conditions, gives our Clients added assurance that the Group can fully service their requirements on major project work throughout the UK.

FUTURE DEVELOPMENTS

The impact of the COVID-19 pandemic resulted in an effective ten-week closedown of the business. The Group has taken steps to mitigate the impact of the closedown and continues to win excellent new orders and the order book for the year to January 2021 indicates the Group should continue to report robust turnover and profit for the year.

Notwithstanding COVID-19 the Group will proceed with major investments in CNC machinery and production facilities. Training remains essential to the business to ensure that it remains at the forefront of the construction sector.

The Board has declared a dividend of £nil (2019: £nil).

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Notwithstanding COVID-19 the Group has more than adequate working capital reserves to fund its strong order book.

The Group's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit & loss of the Group.



B J W Lambie
Director

4 September 2020

MAJOR'S PLACE INDUSTRIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2020

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

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group 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 for the Group financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year and up to the date of approval of these financial statements were:

Sir A Grossart CBE QC
B J W Lambie

Dividends

During the years ended 31 January 2020 and 2019 no dividend was approved by the shareholders for payment to ordinary shareholders.

Going concern

The Group has sufficient financial resources together with a solid order book. The Directors believe that the Group is well placed to manage its business risks successfully.

The Directors have a reasonable expectation that the Group has adequate resources, even considering the COVID-19 pandemic impact to trading in the current year, to continue in operational existence for the foreseeable future. Thus, they continue to apply the going concern basis of accounting in preparing the annual financial statements.

MAJOR'S PLACE INDUSTRIES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2020**

Disclosure of information to the auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- that director 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 and the Group's auditor is aware of that information.

Auditor

The appointed auditor, Scott-Moncrieff, tendered their resignation during 2019 and were replaced by Scott-Moncrieff Audit Services. Scott-Moncrieff Audit Services have expressed their willingness to continue in office as auditors and will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

This report was approved by the board on *4 September 2020* and signed on its behalf by:



W K Ramage
Secretary

Opinion

We have audited the financial statements of Major's Place Industries Limited ('The Parent Company') and its subsidiary ('The Group') for the year ended 31 January 2020, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Groups' and of the Parent Company's affairs as at 31 January 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and the Parent Company's ability to continue as a going concern. For example, the impact of Covid-19 on the Group's and the Parent Company's trade, customers, suppliers, employees and other stakeholders and on the wider economy in general is difficult to evaluate.

Other information

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

MAJOR'S PLACE INDUSTRIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAJOR'S PLACE INDUSTRIES LIMITED (CONTINUED)

Other information (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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' 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 Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report and the Directors' Report.

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

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

Responsibilities of the directors

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAJOR'S PLACE INDUSTRIES LIMITED
(CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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. The description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent Company's members, as a body, those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Scott-Moncrieff Audit Services

Allison Gibson (Senior Statutory Auditor)
for and on behalf of Scott-Moncrieff Audit Services, Statutory Auditor
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date: *4 September 2020*

MAJOR'S PLACE INDUSTRIES LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2020**

	Note	2020 £	2019 £
Turnover	4	18,564,650	13,767,842
Cost of sales		(14,024,939)	(10,493,799)
Gross profit		4,539,711	3,274,043
Distribution costs		(1,802,447)	(1,727,380)
Administrative expenses		(1,842,349)	(1,451,881)
Operating profit	5	894,915	94,782
Interest receivable and similar income		6,683	5,755
Profit on ordinary activities before tax		901,598	100,537
Tax charge	10	(143,328)	(28,254)
Profit for the year		758,270	72,283
Other comprehensive income for the year			
Total comprehensive income for the year		758,270	72,283
Owners of the Parent Company		758,270	72,283
		758,270	72,283

The notes on pages 14 to 31 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2020

	Note	2020 £	2019 £
Financial assets			
Tangible assets	12	1,782,045	1,661,986
		<u>1,782,045</u>	<u>1,661,986</u>
Current assets			
Stocks	14	202,195	472,500
Debtors: amounts falling due within one year	15	5,355,616	2,663,626
Cash at bank and in hand		4,111,537	3,031,291
		<u>9,669,348</u>	<u>6,167,417</u>
Creditors: amounts falling due within one year	16	(5,058,563)	(2,237,360)
Net current assets		<u>4,610,785</u>	<u>3,930,057</u>
Total assets less current liabilities		<u>6,392,830</u>	<u>5,592,043</u>
Provisions for liabilities			
Deferred tax	17	(76,532)	(34,015)
		<u>(76,532)</u>	<u>(34,015)</u>
Net assets		<u>6,316,298</u>	<u>5,558,028</u>
Capital and reserves			
Called up share capital	18	85,910	85,910
Share premium account	19	51,546	51,546
Revaluation reserve	19	213,099	226,419
Profit and loss account	19	5,965,743	5,194,153
Equity attributable to owners of the Parent Company		<u>6,316,298</u>	<u>5,558,028</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 September 2020 by:



B J W Lambie
Director

The notes on pages 14 to 31 form part of these financial statements.

MAJOR'S PLACE INDUSTRIES LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	13	436,338	436,338
		<u>436,338</u>	<u>436,338</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(143,942)	(144,442)
Net current liabilities		<u>(143,942)</u>	<u>(144,442)</u>
Net assets		<u>292,396</u>	<u>291,896</u>
Capital and reserves			
Called up share capital	18	85,910	85,910
Share premium account	19	51,546	51,546
Profit and loss account	19	154,940	154,440
		<u>292,396</u>	<u>291,896</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
4 September 2020 by:



B J W Lambie
Director

The notes on pages 14 to 31 form part of these financial statements.

MAJOR'S PLACE INDUSTRIES LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2020**

	Share capital £	Share premium £	Revaluation reserve £	Retained earnings £	Equity attributable to owners of Parent Company / Total equity £
At 1 February 2019	85,910	51,546	226,419	5,194,153	5,558,028
Comprehensive income for the year					
Profit for the year	-	-	-	758,270	758,270
Total comprehensive income for the year	-	-	-	758,270	758,270
Contributions by and distributions to owners					
Transfer from revaluation reserve to profit and loss account	-	-	(13,320)	13,320	-
Total transactions with owners	-	-	(13,320)	13,320	-
At 31 January 2020	85,910	51,546	213,099	5,965,743	6,316,298

	Share capital £	Share premium £	Revaluation reserve £	Retained earnings £	Equity attributable to owners of Parent Company / Total equity £
At 1 February 2018	85,910	51,546	239,739	5,108,550	5,485,745
Comprehensive income for the year					
Profit for the year	-	-	-	72,283	72,283
Total comprehensive income for the year	-	-	-	72,283	72,283
Contributions by and distributions to owners					
Transfer from revaluation reserve to profit and loss account	-	-	(13,320)	13,320	-
Total transactions with owners	-	-	(13,320)	13,320	-
At 31 January 2019	85,910	51,546	226,419	5,194,153	5,558,028

The notes on pages 14 to 31 form part of these financial statements.

MAJOR'S PLACE INDUSTRIES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2020**

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 February 2019	85,910	51,546	154,440	291,896
Comprehensive income for the year				
Profit for the year	-	-	500	500
Total comprehensive income for the year	-	-	500	500
At 31 January 2020	85,910	51,546	154,940	292,396
At 1 February 2018	85,910	51,546	153,940	291,396
Comprehensive income for the year				
Profit for the year	-	-	500	500
Total comprehensive income for the year	-	-	500	500
At 31 January 2019	85,910	51,546	154,440	291,896

The notes on pages 14 to 31 form part of these financial statements.

MAJOR'S PLACE INDUSTRIES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2020**

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year before tax	901,598	100,537
Adjustments for:		
Depreciation of tangible assets	217,305	227,857
Decrease/(increase) in stocks	270,305	(234,455)
Interest received	(6,683)	(5,755)
(Increase) in debtors	(2,691,990)	(111,327)
Increase in creditors	2,691,597	251,735
Corporation tax received/(paid)	28,795	(600)
Net cash generated from operating activities	<u>1,410,927</u>	<u>227,992</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(495,911)	(264,188)
Sale of tangible fixed assets	128,547	34,561
Interest received	6,683	5,755
Net cash used in investing activities	<u>(330,681)</u>	<u>(223,872)</u>
Net increase in cash and cash equivalents	1,080,246	4,120
Cash and cash equivalents at beginning of year	3,031,291	3,027,171
Cash and cash equivalents at the end of year	<u>4,111,537</u>	<u>3,031,291</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>4,111,537</u>	<u>3,031,291</u>

**Analysis of Net Debt
For the year ended 31 January 2020**

	At 1 February 2019 £	Cashflows £	At 31 January 2020 £
Cash and cash equivalents	<u>3,031,291</u>	<u>1,080,246</u>	<u>4,111,537</u>

The notes on pages 14 to 31 form part of these financial statements.

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the Group's transactions are denominated. They comprise the financial statements of the Group and Company drawn up for the year ended 31 January 2020.

The principal activity of the Group is that of a specialist façade contractors.

The Company is a United Kingdom private company limited by shares. It is both incorporated and domiciled in Scotland. The address of its registered office is 24 Russell Road, Edinburgh, EH11 2LS. The company registration number is SC075748.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and 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 judgement in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied in the preparation of these financial statements. These policies have been consistently applied to the years presented, unless otherwise stated.

2.2 Basis of consolidation

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

2.3 Going concern

The Group has sufficient financial resources together with a solid order book. The Directors believe that the Group is well placed to manage its business risks successfully.

The Directors have a reasonable expectation that the Group has adequate resources, even considering the COVID-19 pandemic impact to trading in the current year, to continue in operational existence for the foreseeable future. Thus, they continue to apply the going concern basis of accounting in preparing the annual financial statements.

2. Accounting Policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Rendering of services

Revenue 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 revenue can be measured reliably;
- it is probable that the Group 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.

Construction contracts

When the outcome of a construction contract can be estimated reliably, the Group shall recognise contract revenue and contract costs associated with the construction contract as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period.

The Group shall determine the stage of completion of a transaction or contract through performing surveys of the work performed to date.

When the outcome of a construction contract cannot be estimated reliably:

- the Group shall recognise revenue only to the extent of contract costs incurred that it is probable will be recoverable; and
- the Group shall recognise contract costs as an expense in the period in which they occurred.

The Group will recognise as an expense immediately any costs whose recovery is not probable. When it is probable that total contract costs will exceed total contract revenue on a construction contract, the expected loss shall be recognised as an expense immediately.

Revenues derived from variations on contracts are recognised only when they have been accepted by the customer.

Amounts recoverable on contracts are included in trade debtors. These are stated as turnover recognised less any progress payments made on the contracts, after provision has been made for any foreseeable losses.

2. Accounting policies (continued)

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 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.

Depreciation 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 are as follows:

Heritable property	- 40 years
Plant and machinery	- 10 years
Motor vehicles	- 5 years
Furniture & equipment	- 5 years

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 within 'administration expenses' in the Consolidated Statement of Comprehensive Income.

2. Accounting policies (continued)

2.6 Impairment of non-financial assets

At each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.7 Operating leases: lessee

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

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Costs include all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 Work in progress

Work in progress is valued on the basis of direct material and labour costs plus attributable overheads based on the normal level of activity. Provisions are made for any foreseeable losses where appropriate. No element of profit is included in the valuation of any work in progress.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.11 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.

2. Accounting policies (continued)

2.12 Financial instruments

The Group and Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from 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 the 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 the 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 profit or loss.

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 Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Group has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

2.13 Creditors

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

2. Accounting policies (continued)

2.14 Dividends

Dividends are recognised when they become legally payable. Interim dividends are recognised when paid. Final dividends are recognised when approved by the shareholders.

2.15 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

Defined benefit pension plan

The Group also has a defined benefit pension scheme which was closed to the accrual of future benefits in September 1997. Actuarial valuations are carried out on a triennial basis and any deficiency in valuation which may arise from time to time is corrected by deficit funding contributions. Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using assumptions set prudently by the trustees on the advice of their actuary. The movement in the pension asset or liability in the year is reflected in the Consolidated Statement of Comprehensive Income.

2.16 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet 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 Consolidated Statement of Financial Position.

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, 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 corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Group operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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 difference between the fair values of assets acquired and the future tax deductions available for them and the difference 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 balance sheet date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- Depreciation – accounting estimation applied to the useful life of assets. The rates used are deemed to be appropriate for the individual class of assets.
- Amounts recoverable on contracts – judgement has been applied by the directors to estimate the level of foreseeable losses on certain contracts.
- Actuarial assumptions in respect of defined benefit pension scheme - the actuarial assumptions of a qualified actuary have been reviewed and are considered reasonable and appropriate.

MAJOR'S PLACE INDUSTRIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020****4. Analysis of turnover**

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Construction services	<u>18,564,650</u>	<u>13,767,842</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	217,305	227,857
Operating lease rentals: motor vehicles and plant & machinery	13,162	19,992
Costs paid by principal employer on behalf of the pension scheme	<u>34,710</u>	<u>31,601</u>

6. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Group's auditor for the audit of the Group's annual accounts	<u>13,400</u>	<u>12,050</u>
Non-audit fees payable to the Group's auditor in respect of:		
Taxation compliance services	<u>1,550</u>	<u>1,500</u>

The above costs were borne by the subsidiary company.

MAJOR'S PLACE INDUSTRIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020****7. Employees**

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	3,047,851	2,815,170
Social security costs	302,334	281,093
Cost of defined contribution scheme	92,732	70,282
Cost of defined benefit scheme	-	-
	<u>3,442,917</u>	<u>3,166,545</u>

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

	2020 No.	2019 No.
Sales and administration	17	16
Production	52	50
	<u>69</u>	<u>66</u>

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	<u>164,905</u>	<u>160,526</u>

During the current and prior year no director accrued any retirement benefits in respect of defined contribution pension schemes.

9. Key management personnel

Employee benefits for key management personnel, as defined by the directors, which include the remuneration of the executive directors of the subsidiary company, totalled £909,097 (2019: £766,550). Employers National Insurance paid on behalf of key management personnel amounted to £87,893 (2019: £83,544).

MAJOR'S PLACE INDUSTRIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020**

10. Taxation	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	136,539	11,250
Adjustment in respect of prior periods	(35,728)	600
Total current tax	100,811	11,850
Deferred tax		
Origination and reversal of timing differences	42,517	16,404
Effect of tax rate change on opening balance	-	-
Total deferred tax	42,517	16,404
Taxation on profit on ordinary activities	143,328	28,254

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 – higher than) the standard rate of corporation tax in the UK of 19% (2019 – 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	901,598	100,537
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019– 19%)	171,304	19,102
Effects of:		
Expenses not deductible for tax purposes	6,122	4,513
Depreciation for year in excess of capital allowances	6,073	7,100
Other differences	-	(501)
Adjust closing deferred tax to average rate	(9,004)	(4,061)
Adjust opening deferred tax to average rate	4,061	2,012
Deferred tax not recognised	500	(510)
Adjustments to tax charge in respect of prior periods	(35,728)	600
Total tax charge for the year	143,328	28,254

Factors that may affect future tax charges

No significant factors to note.

MAJOR'S PLACE INDUSTRIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020**

11. Parent Company Profit for the year

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 after tax of the Parent Company for the year was £500 (2019: £500).

12. Tangible fixed assets

Group	Heritable property £	Plant & machinery £	Motor vehicles £	Furniture & equipment £	Total £
Cost					
At 1 February 2019	1,525,051	2,048,775	437,408	1,099,348	5,110,582
Additions	43,376	241,237	135,994	45,304	465,911
Disposals	-	-	(283,815)	-	(283,815)
At 31 January 2020	1,568,427	2,290,012	289,587	1,144,652	5,292,678
Depreciation					
At 1 February 2019	721,213	1,515,289	159,325	1,052,769	3,448,596
Charge for the year	38,693	82,110	70,822	25,680	217,305
Released on disposal	-	-	(155,268)	-	(155,268)
At 31 January 2020	759,906	1,597,399	74,879	1,078,449	3,510,633
Net book value					
At 31 January 2020	808,521	692,613	214,708	66,203	1,782,045
At 31 January 2019	803,838	533,486	278,083	46,579	1,661,986

The Group last revalued the property at 31 January 1996, and has elected not to adopt a policy of revaluation, thus explaining the existence of the revaluation reserve.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2020 £	2019 £
Cost	1,267,128	1,223,752
Accumulated depreciation	(631,090)	(605,747)
Net book value	636,038	618,005

MAJOR'S PLACE INDUSTRIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020**

13. Fixed asset investments

Company	Investments in subsidiary companies £
Cost	
At 1 February 2019 and at 31 January 2020	436,338
Net book value	
At 31 January 2020 and 31 January 2019	436,338

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Charles Henshaw & Sons Limited	Scotland	Ordinary	100%	Specialist façade contractors

The registered office of Charles Henshaw & Sons Limited is 24 Russell Road, Edinburgh, EH11 2LS.

14. Stocks

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Raw materials and consumables	199,120	<i>228,477</i>	-	-
Work in progress	3,075	<i>244,023</i>	-	-
	202,195	<i>472,500</i>	-	-

MAJOR'S PLACE INDUSTRIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020**

15. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	4,963,229	2,630,397	-	-
Other debtors	359,585	5,834	-	-
Prepayments and accrued income	32,802	27,395	-	-
	<u>5,355,616</u>	<u>2,663,626</u>	<u>-</u>	<u>-</u>

16. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	1,592,272	1,601,195	-	-
Amounts owed to group undertakings	-	-	143,942	144,442
Corporation tax	141,267	11,250	-	-
Other taxation and social security	690,127	262,354	-	-
Accruals	2,634,897	362,561	-	-
	<u>5,058,563</u>	<u>2,237,360</u>	<u>143,942</u>	<u>144,442</u>

A bank overdraft facility is secured by a bond and floating charge over all of the Group's assets and by an intercompany guarantee with Charles Henshaw & Sons Limited.

17. Deferred taxation

Group	Deferred tax £
At 1 February 2019	34,015
Movement in year	42,517
At 31 January 2020	<u>76,532</u>

The provision for deferred taxation is made up as follows:

	Group 2020 £	Group 2019 £
Accelerated capital allowances	78,024	35,519
Short term timing differences	(1,492)	(1,504)
	<u>76,532</u>	<u>34,015</u>

MAJOR'S PLACE INDUSTRIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020**

18. Share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
85,910 Ordinary Shares of £1 each	85,910	85,910

Class of shares

Prescribed particulars

Ordinary

Ordinary shares have full rights in the Company with respect to voting, dividends and capital distributions

19. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Revaluation reserve

The revaluation reserve is being released to the profit and loss account over 40 years.

Profit and loss account

The profit and loss account considers the profit or loss for the year, any transfers from the revaluation reserve less any dividends paid/proposed.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020**
20. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are administered by trustees in a fund independent from the Group.

The total contributions paid in the year amounted to £92,732 (2019: £70,282). At the year end there was an amount accrued of £18,111 (2019: £18,217).

The Group also has a defined benefit pension scheme which was closed to the accrual of future benefits in September 1997. Actuarial valuations are carried out on a triennial basis and any deficiency in valuation which may arise from time to time is corrected by deficit funding contributions.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using assumptions set prudently by the trustees on the advice of their actuary.

The latest actuarial valuation as at 30 September 2016 showed a deficit of £85,000. The Group agreed with the trustees that it would aim to eliminate the deficit by making a one-off payment of £87,000 which was received by the plan during the 2018 accounting year. The actuarial valuation as at 30 September 2019 has yet to be finalised.

For accounting disclosure purposes, the valuation has been updated to 31 January 2020 by a qualified actuary.

The major financial assumptions used by the actuary were:

	At 31/01/20	At 31/01/19
Discount rate	1.60%	2.50%
RPI price inflation	2.80%	3.20%
CPI price inflation	2.20%	2.40%
Revaluation in deferment	2.20%	2.40%
5% Limited price inflation	2.10%	2.30%
Mortality tables	S2PA CMI_2018 [1%,S=7.5]	S2PA CMI_2016 [1%]

The mortality assumptions adopted imply the following future life expectancies:

	2020 Years
Current pensioners at age 65 - male	21.6
Current pensioners at age 65 - female	23.5
Future pensioners at age 65, aged 45 now - male	22.7
Future pensioners at age 65, aged 45 now - female	24.8

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020

20. Pension commitments (continued)

The following amounts are recognised in the Statement of Financial Position:

	Value at 31/01/20 £'000	% of Scheme assets	Value at 31/01/19 £'000	% of Scheme assets
Equities	2,532	41%	2,327	41%
Bonds	791	13%	873	15%
Diversified growth fund	2,455	39%	2,291	40%
Cash	447	7%	230	4%
Fair value of scheme assets	6,225	100%	5,721	100%
Present value of funded liabilities	(5,088)		(4,742)	
Unrecognised surplus	(1,137)		(979)	
Surplus/Deficit in scheme	-		-	

Changes in the fair value of scheme assets are as follows:

	2020 £'000	2019 £'000
Opening fair value of scheme assets	5,721	6,438
Interest income	140	153
Benefits paid	(204)	(676)
Re-measurement gains/(losses)	568	(194)
Contributions by the group	-	-
Closing fair value of scheme assets	6,225	5,721

Changes in the present value of the scheme liabilities are as follows:

	2020 £'000	2019 £'000
Opening defined benefit liability	4,742	5,171
Interest cost	116	121
Benefits paid	(204)	(676)
Re-measurement losses/(gains)	435	(15)
Benefit changes - losses	-	141
Closing defined benefit liability	5,088	4,742
Actual return on scheme assets – gain/(loss)	428	(41)

The following are recognised in the Consolidated Statement of Comprehensive Income:

Analysis of net return on pension scheme:

Expected return on pension scheme assets	140	153
Interest on pension liability	(116)	(121)
Contributions by the group	-	-
Benefit changes - losses	-	(141)
Net return/(cost)	24	(109)

MAJOR'S PLACE INDUSTRIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020**

20. Pension commitments (continued)

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Analysis of actuarial (loss)/gain		
Actual return less expected return on pension scheme assets	568	<i>(194)</i>
Changes in assumptions underlying the present value of scheme liabilities	(433)	<i>27</i>
Adjustment in respect of irrecoverable surplus	(158)	<i>288</i>
Experience losses arising on plan liabilities	(1)	<i>(12)</i>
	<u>(24)</u>	<u><i>109</i></u>
Actuarial (loss)/gain to be recognised	<u>(24)</u>	<u><i>109</i></u>

The cumulative amount of actuarial (losses)/gains taken to Other Comprehensive Income is £nil.

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Movement in surplus during the year:		
Surplus in scheme at the beginning of the year	979	<i>1,267</i>
Movement in the year:		
Actuarial gain/(loss)	158	<i>(288)</i>
	<u>1,137</u>	<u><i>979</i></u>
Surplus in scheme at the end of the year	<u>1,137</u>	<u><i>979</i></u>

The Group is not currently required to make any payments to the scheme for the year commencing 1 February 2020. This is in line with the Schedule of Contributions signed and dated 7 November 2017. The actuarial valuation as at 30 September 2019 has yet to be finalised.

21. Commitments under operating leases

At 31 January 2020 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group	<i>Group</i>
	2020	<i>2019</i>
	£	<i>£</i>
	Other	<i>Other</i>
Not later than 1 year	2,400	<i>13,162</i>
Later than 1 year and not later than 5 years	-	<i>2,400</i>
	<u>2,400</u>	<u><i>15,562</i></u>

22. Contingent liabilities

At 31 January 2020 the Company has given guarantees, mainly in the form of parent company guarantees, in respect of certain obligations on behalf of its subsidiary company.

There are contingent liabilities in existence at 31 January 2020 in respect of warranties and claims under contracts entered into in the normal course of business.

The Group takes legal advice as to the likelihood of success of such claims and actions and no provision is made where the Directors consider, based on that advice, that the action is unlikely to succeed or that the Group cannot make a sufficiently reliable estimate of potential obligations.

23. Related party transactions

Advantage has been taken of the exemption granted by Financial Reporting Standard 102 Section 33.1A 'Related Party Disclosures' not to report details of transactions with entities which are 100% controlled by a common parent undertaking.

During the year management fees of £37,376 (2019: £36,472) were paid by the Group to Noble Grossart Limited. Noble Grossart Limited is a shareholder in the Company. As at 31 January 2020 the balance outstanding, included within accruals, was £18,688 (2019: £18,236). The balance outstanding is unsecured, for cash settlement in accordance with normal terms.

24. Ultimate controlling party

In the opinion of the directors, there is no ultimate controlling party.