Midas Group Limited

Report and Financial Statements

30 April 2016

Directors
S L Hindley
M W Hocking
A E Hope
D F Rogerson

Secretary
D F Rogerson

Auditors
Ernst & Young LLP
The Paragon
Counterslip
Bristol BS1 6BX

Bankers
Royal Bank of Scotland plc
3 Templeback East
Bristol BS1 9BX

Solicitors
Michelmores LLP
Woodwater House
Pynes Hill
Exeter EX2 5WR

Registered Office
Midas House
Pynes Hill
Exeter EX2 5WS

Strategic report

The directors present their strategic report for the year ended 30 April 2016.

Impact of transition to FRS 102

The company has implemented Financial Reporting Standard 102 (FRS 102) with a transition date of 1 May 2014. The impact of transition is detailed in note 25 to the financial statements.

In summary, the most significant impact on the consolidated group balance sheet is the first time recognition of a holiday pay accrual, which has served to reduce restated comparative year net assets by £240,000 (net of tax). The most significant impact on the company balance sheet is the first time recognition of a deferred tax provision on the revaluation of property, plant and equipment, which has served to reduce restated comparative year net assets by £46,000. The overall quantified impact of transition to FRS 102 is a reduction in restated comparative year consolidated net assets of £285,000 (net of tax), and a reduction in restated comparative year company net assets of £85,000 (net of tax)

Review of the business

Midas Group Limited (‘MGL’) is the parent undertaking of the Midas group and its principal subsidiaries are Midas Construction Limited, Midas Retail Limited (incorporating trading under the Midas Interiors brand), Midas Property Services (UK) Limited, Mi-space (UK) Limited and Midas Commercial Developments Limited.

MGL operates through its five companies which provide a complete range of property related services to both private and public sector clients.

The headline financials for the year were as follows:

	2016	2015	Change
	£’000	£’000	%
Turnover	215,781	248,630	-13%
Profit before tax	235	113	108%
Profit after tax	554	25	2,116%
Net assets	8,565	8,085	6%
Cash at bank and in hand	22,379	29,530	-24%

During 2015, the general construction market suffered from a degree of unpredictability with some significant supply chain cost pressures driven by resource constraints in certain trades. In our business, this was compounded by uncertainty in some market segments, particularly affordable housing and retail. Alongside these dynamics, a decision was taken to reduce the proportion of single-stage competitively tendered work bid by the group’s largest subsidiary, Midas Construction Limited, leading to a planned reduction in turnover of 13%. Despite this, the group delivered a relatively stable overall profit contribution and a profit before tax of £235k (2015 - £113k). After a tax credit for the year of £319k, profit after tax was £554k. When taken with other movements on reserves set out in the notes to these accounts, net assets increased by 6% to £8.565m.

Compared with the exceptional cash balances of 2014 and 2015, which were driven by higher than average levels of turnover in the months leading up to the 2014 and 2015 year ends, this year’s cash balance at £22.379m is more in line with the long-term trend experienced since 2010, and continues to demonstrate the underlying strength of the group and focus on working capital management.

Strategic report

Review of the business (continued)

The group enters the new financial year with a strong order book founded increasingly on negotiated and two-stage tender opportunities that enable the group to work more closely with its client base in delivering projects with sustainable margins. With positions on 23 frameworks, this gives the board confidence that 2016/2017 and beyond will see the Midas group able to achieve steady profitable growth.

Midas Construction Limited continues to be a major force in its local markets, operating through six regional offices. Representing the largest part of the group, its turnover reduced by 26% as a result of the decision on bid selectivity mentioned above. However, the operating profit for the year improved to £35k compared to an operating loss in 2015 of £1,099k. The order book is good and the company anticipates improved results in the coming reporting period.

The turnover of Midas Retail Limited increased significantly by 349% compared to the previous year and the company delivered a number of projects for clients including Waitrose, Next and the John Lewis Partnership. The return to more sustainable levels of activity generated a profit after tax of £335k compared with a loss after tax of £360k in the prior year. This business continues to successfully develop its blue chip client base and has excellent visibility of its pipeline of future opportunities.

Midas Property Services (UK) Limited operates from its main Bristol office. Over recent years, the group has conducted a greater proportion of fit-out and refurbishment work under the Midas Interiors brand through Midas Construction Limited, its immediate parent company. This has served to strengthen the Interiors brand whilst still providing clients with a bespoke service delivered by the experienced specialist teams from both companies. Following a strategic review, it has been decided to deliver this specialist service in future through Midas Retail Limited in order to exploit the synergies between Retail and Interiors.

The rent reform measures announced in the August budget of 2015 caused a number of public sector housing projects to be placed on hold or cancelled in full as Registered Providers re-considered the fundamental aspects of their business models, specifically funding capital projects and refurbishment programmes. The impact on Mi-space (UK) Limited was to reduce turnover by 35%, leading to a loss before tax of £541k, compared to a profit before tax in 2015 of £778k. Going forward the directors consider prospects to be positive with the business now holding positions on 18 frameworks for Asset Management work with visibility of workload up to 10 years in to the future.

The group continues to develop its in-house capability in the energy sector with the ability to deliver effective renewable energy and energy conservation solutions to all of its clients across all of its businesses.

Midas Commercial Developments Limited is consolidating its position as a successful property developer in the region with a number of projects in the pipeline.

MGL is committed to investing in its people, which it sees as a key asset, with initiatives such as providing a comprehensive training programme to all its staff through its Academy, actively encouraging career development and future leaders through its Leadership programme and improving their working conditions. During the 2015/16 year, the group provided an average of 2.4 training days per employee, which is significantly in excess of industry average. In addition to these long-standing initiatives, the group has embarked on a graduate programme to secure and develop young professionals at the very start of their careers. All the companies within the group work closely with their principal subcontractors in order to establish long term relationships.

In 2015/2016 the Midas group made further progress in improving its environmental performance. It worked with many of its partnership customers in driving forward innovation and best practice in the field of environmental management. It has worked with its customers in the development of eco-friendly construction and property solutions. Midas has significantly raised environmental awareness within its team by delivering company wide environmental training programmes and has introduced waste reduction and recycling initiatives at all its office locations and sites. Four of its principal operating subsidiary companies have achieved ISO14001 accreditation.

Strategic report

Review of the business (continued)

Management of Health and Safety throughout all of the Midas group's operations continues to be the top priority in the business. Its investment in and focus on its Health and Safety team has had a significant impact. Midas finished the 2015/2016 year with an Accident Frequency Rate (AFR) of 0.14, which compares favourably with its peers and places it in the upper quartile for the industry. It has again been awarded a 'Gold' standard by ROSPA, which is Midas's thirteenth consecutive 'Gold' award, resulting in a fourth consecutive 'Presidents' award, recognising its consistent high levels of Health and Safety performance. Midas also maintained its OHSAS18001 accreditation.

Alongside it's accreditation for Quality Management under ISO9001, the group maintained accreditation under FSC (Chain of Custody).

Principal risks and uncertainties

The Midas group refers to and uses key performance indicators (KPIs) in order to monitor business performance with reference to financial measures, Health & Safety, customer satisfaction, employee satisfaction and environmental scores. The group continues to capture and measure data at divisional, company and group consolidated levels with all the KPIs linking back to the vision of industry leading performance and customer service. Risk management is also a priority and appropriate systems for the identification and control of risks are under continuous review.

The principal risks and uncertainties facing the group are broadly grouped as competitive, legislative and financial.

Competitive risks

Midas is now on 23 frameworks in both the private and public sectors and continues to be successful in securing new orders in all areas of the economy, with 29% of future identified opportunities being in the public sector.

Skilled labour in the construction industry is a finite resource and in order to continue to deliver quality projects to its customers, Midas needs to ensure that its workforce and those of its sub-contractors continue to be trained to the highest standard. In response to this, the Midas Academy was established during 2005, which not only services the training needs of Midas employees, but also delivers some training of the same high standard to its sub-contractors.

Labour market forces also place pressure on the group to retain its people which are seen as its major asset. In order to retain staff, the group aims to offer competitive remuneration packages and structured career development opportunities, but are continually at risk of competitors attracting staff away.

Legislative risks

Health and Safety is of paramount importance at Midas and the Accident Frequency Rate (AFR) is one of the principal KPIs which are focused on at board level. Any deterioration in AFR may cost time (through Health and Safety Executive (HSE) actions and management time) and money (through potential delays and/or HSE fines) on existing projects but also may preclude the group from winning new work as customers continually look for excellent and improving Health and Safety records from their preferred contractors.

Financial risks

The traditional cash flow profile of a construction project is cash generative. The principal risk associated with cash flow is non-payment by clients. To that end, Midas maintains credit insurance on the majority of its private sector debtor book insuring up to 2 months' exposure on a project-by-project basis and to date Midas has not had to enforce the policy.

As a construction group, the strength of the national and global economy has a direct impact on capital investment programmes within the private sector. Any downturn in the economy can restrict this type of investment and, consequently, activity levels. Increases in interest rates make the funding of capital investment more expensive and therefore may reduce private sector appetite for investing in capital

Strategic report

Financial risks (continued)

projects. Conversely, availability of grant funding in assisted areas encourages inward investment and stimulates construction and wider general economic activity.

The commercial risks associated with construction contracts are many and varied, but a robust pre-tender bid/no-bid assessment together with strong procedures in the identification of both risk and opportunity at a project level, complimented by rigorous compliance and review seek to mitigate the effects.

The assets of the closed Midas Group final salary scheme are invested in a balanced portfolio designed to produce investment returns that match future movements in liabilities. The scheme is still in deficit, but with the possibility of improving rates of return on the assets there is potential that the scheme's position may improve in the future.

Community

Midas has continued its commitment to have a positive impact upon the communities in which it operates with an aim to provide a top quality service and create employment opportunities in these communities. Midas will continue to make charitable donations, be creative and innovative in the way it interacts and engages with local communities and register all its sites in the 'Considerate Contractors' Scheme, of which it is now an Associate member.

By order of the Board

D F Rogerson
Secretary
27 July 2016

Registered No. 3433188

Directors' report

The directors present their report for the year ended 30 April 2016.

Directors

The directors who served the company during the year were as follows:

S L Hindley (Chairman)
M W Hocking
A E Hope
D F Rogerson

Dividends

The directors do not recommend the payment of a final dividend (2015 – £nil).

No ordinary dividend was paid in the year (2015 – £2,195,000).

Going concern

Having completed their assessment the directors have concluded that there are no material uncertainties that cast significant doubt about the ability of the group to continue as a going concern.

The group's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the Strategic Report. The group has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the group is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the group will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Disabled employees

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

The group received full accreditation under the Investors in People scheme in July 2000 and is committed to the principles underlying the Investors in People programme by furthering the skills and development of its employees. The group achieved re-accreditation in 2014 and was awarded a Silver Award in recognition of its commitment to continually develop and support its staff. During 2014, the group also achieved classification as a 'One to Watch Organisation' following a "Best Companies" employee survey.

The aims and objectives of the group continue to be communicated to employees through strategic seminars and company and divisional newsletters.

A growing number of employees are involved, through their participation in continuous improvement teams, in the development of effective management systems.

Directors' report

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board

D F Rogerson
Secretary
27 July 2016

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

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

Independent auditors' report

to the members of Midas Group Limited

We have audited the financial statements of Midas Group Limited for the year ended 30 April 2016 which comprise the Group Profit and Loss Account, the Group Statement of Other Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Statements of Changes in Equity, the Group Statement of Cash Flows and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent undertaking's affairs as at 30 April 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

to the members of Midas Group Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent undertaking, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent undertaking 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.

Ernst & Young LLP

Paul Mapleston (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol
27 July 2016

Group profit and loss account

for the year ended 30 April 2016

	Notes	*2016* *£000*	*2015 restated* *£000*
Turnover	2	215,781	248,630
Cost of sales		(203,276)	(239,221)
Gross profit		12,505	9,409
Administrative expenses		(12,309)	(9,442)
Operating profit/(loss)	3	196	(33)
Interest receivable and similar income	6	113	226
Interest payable and similar charges	7	–	–
Net interest on pension scheme liability	20	(74)	(80)
Profit on ordinary activities before taxation		235	113
Tax	8	319	(88)
Profit for the financial year		554	25

All amounts relate to continuing activities.

Group statement of other comprehensive income

for the year ended 30 April 2016

	Note	*2016* *£000*	*2015* *£000*
Profit for the financial year		554	25
Other comprehensive income			
Actuarial loss recognised on the pension scheme	20	(93)	(548)
Deferred tax on actuarial loss on the pension scheme		19	110
Adjustment to deferred tax on actuarial loss due to change in tax rate		–	(20)
Other comprehensive income for the year		(74)	(458)
Total comprehensive income for the year		480	(433)

Group balance sheet

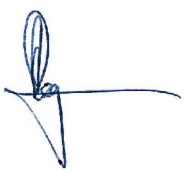
at 30 April 2016

	Notes	*2016 £000*	*2015 restated £000*
Fixed assets			
Tangible assets	11	4,396	5,173
Investments	12	252	252
		4,648	5,425
Current assets			
Stocks	13	800	800
Debtors	14	51,586	46,371
Cash at bank and in hand		22,379	29,530
		74,765	76,701
Creditors: amounts falling due within one year	15	68,730	71,736
Net current assets		6,035	4,965
Total assets less current liabilities		10,683	10,390
Creditors: amounts falling due after more than one year	16	–	–
Net assets excluding pensions		10,683	10,390
Net pensions	20	(2,118)	(2,305)
Net assets including pensions		8,565	8,085
Capital and reserves			
Called up share capital	17	439	439
Capital redemption reserve		719	719
Revaluation reserve		218	231
Profit and loss account		7,189	6,696
Shareholders' funds		8,565	8,085

The financial statements were approved and authorised for issue by the board on 27 July 2016 and signed on its behalf by:

S L Hindley

Director



D F Rogerson

Director

Registered No. 3433188

Company balance sheet

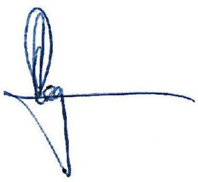
at 30 April 2016

	Notes	2016 £000	2015 restated £000
Fixed assets			
Tangible assets	11	4,288	5,038
Investments	12	1,097	1,097
		5,385	6,135
Current assets			
Debtors	14	5,988	5,019
Cash at bank and in hand		–	1
		5,988	5,020
Creditors: amounts falling due within one year	15	7,423	7,103
Net current liabilities		(1,435)	(2,083)
Total assets less current liabilities		3,950	4,052
Creditors: amounts falling due after more than one year	16	–	–
Net assets excluding pensions		3,950	4,052
Net pensions	20	(2,118)	(2,305)
Net assets including pensions		1,832	1,747
Capital and reserves			
Called up share capital	17	439	439
Capital redemption reserve		719	719
Revaluation reserve		218	231
Profit and loss account		456	358
Shareholders' funds		1,832	1,747

The financial statements were approved and authorised for issue by the board on 27 July 2016 and signed on its behalf by:

S L Hindley

Director



D F Rogerson

Director

Registered No. 3433188

Group statement of changes in equity

at 30 April 2016

	Called up share capital £000	*Capital redemption reserve £000*	*Revaluation reserve £000*	*Profit and loss account £000*	*Total Equity £*
At 1 May 2014 (restated)	439	719	244	9,311	10,713
Profit for the year	–	–	–	25	25
Other comprehensive income	–	–	–	(458)	(458)
Transfer in respect of depreciation on revalued assets	–	–	(13)	13	–
Dividends paid	–	–	–	(2,195)	(2,195)
At 30 April 2015 (restated)	**439**	**719**	**231**	**6,696**	**8,085**
Profit for the year	–	–	–	554	554
Transfer in respect of depreciation on revalued assets	–	–	(13)	13	–
Other comprehensive income	–	–	–	(74)	(74)
Dividends paid	–	–	–	–	–
At 30 April 2016	**439**	**719**	**218**	**7,189**	**8,565**

Company statement of changes in equity

at 30 April 2016

	Called up share capital £000	*Capital redemption reserve £000*	*Revaluation reserve £000*	*Profit and loss account £000*	*Total Equity £*
At 1 May 2014 (restated)	439	719	244	2,430	3,832
Profit for the year	–	–	–	568	568
Other comprehensive income	–	–	–	(458)	(458)
Transfer in respect of depreciation on revalued assets	–	–	(13)	13	–
Dividends paid	–	–	–	(2,195)	(2,195)
At 30 April 2015 (restated)	**439**	**719**	**231**	**358**	**1,747**
Profit for the year	–	–	–	159	159
Other comprehensive income	–	–	–	(74)	(74)
Transfer in respect of depreciation on revalued assets	–	–	(13)	13	–
Dividends paid	–	–	–	–	–
At 30 April 2016	**439**	**719**	**218**	**456**	**1,832**

Group statement of cash flows

for the year ended 30 April 2016

	Note	*2016* *£000*	*2015 restated* *£000*
Net cash outflow from operating activities	18(a)	(7,735)	(1,702)
Investing activities			
Interest received		164	272
Receipts from sales of tangible fixed assets		499	–
Payments to acquire tangible fixed assets		(79)	(2,079)
Net cash flow from investing activities		584	(1,807)
Financing activities			
Equity dividends paid		–	(2,195)
Interest paid		–	(20)
Net cash flow from financing activities		–	(2,215)
Decrease in cash		(7,151)	(5,724)
Cash at 1 May		29,530	35,254
Cash at 30 April		22,379	29,530

Reconciliation of net cash flow to movement in net funds

	2016 *£000*	*2015* *£000*
Decrease in cash	(7,151)	(5,724)
Change in net funds in the year	(7,151)	(5,724)
Net funds at 1 May	29,530	35,254
Net funds at 30 April	22,379	29,530

Notes to the financial statements

at 30 April 2016

1. Accounting policies

Statement of compliance

Midas Group Limited is a private company limited by share capital incorporated in England and Wales. The registered office is Midas House, Pynes Hill, Exeter, EX2 5WS.

The group and company financial statements have been prepared in compliance with FRS102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland, as it applies to the financial statements of the group and company for the year ended 30 April 2016.

The company has adopted FRS102 and transferred from previously extant UK GAAP to FRS102 as at 1 May 2014. Comparatives have been restated, and an explanation of how transition to FRS102 has affected the reported financial position and financial performance is given in note 25. There are no material departures from FRS102.

Basis of preparation

The financial statements are prepared under the historical cost convention, modified to include the revaluation of freehold land and buildings, and in accordance with applicable accounting standards.

The functional currency of Midas Group Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The presentation currency is pounds sterling.

Group financial statements

The group financial statements consolidate the financial statements of Midas Group Limited and its subsidiary undertakings to 30 April 2016. Midas Property Services (UK) Limited, Midas Commercial Developments Limited, Midas Retail Limited, Mi-space (UK) Limited and Midas Construction Limited have been included in the group financial statements using the acquisition method of accounting.

The purchase consideration has been allocated to assets and liabilities on the basis of fair values at the date of acquisition. Prior to the date of acquisition, the results of Midas Property Services (UK) Limited and Midas Construction Limited were accounted for using merger accounting principles.

Entities in which the group holds an interest on a long-term basis and are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the gross equity method.

Entities, other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Certain of the group’s activities are conducted through joint arrangements that do not create an entity carrying on a trade or business of its own. They are included in the group financial statements in proportion to the group’s interest in the income, expenses, assets and liabilities of these joint arrangements.

No profit and loss account is presented for Midas Group Limited as permitted by section 408 of the Companies Act 2006.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. However the nature of estimation means the actual outcomes could differ from those involving estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

- Amounts recoverable on contracts are recognised by reference to the proportion of work carried out and the profit included is calculated on a prudent basis which involves management judgement.

Notes to the financial statements

at 30 April 2016

1. Accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

- The pension cost and liabilities of the Midas group pension and life assurance scheme under FRS 102 are assessed in accordance with the directors' best estimates using the advice of an independent qualified actuary and assumptions in the latest actuarial valuation. Assumptions include the discount rate and mortality rates and changes in these assumptions will impact the carrying amount of pension obligations.

Goodwill

Positive goodwill, being the excess of consideration over the fair value of assets acquired, arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful economic life. It is reviewed for impairment at the end of the first financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Tangible fixed assets

All fixed assets are initially recorded at cost. Certain freehold and leasehold land and buildings were revalued as at 30 April 2013 with the revaluation deficit taken to the revaluation reserve.

Tangible assets are depreciated by equal annual instalments over their estimated useful lives. The rates used are as follows:

Freehold property	– 4%
Short leasehold property	– Over the period of the lease
Plant and equipment	– 33.3%
Computer equipment	– 33.3%
Fixtures, fittings and office equipment	– 20% to 33.3%

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

In the financial statements of the company, investments held as fixed assets are stated at cost using acquisition accounting policies.

Revenue recognition

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Long-term contracts

Revenue on long-term contracts is recognised by reference to the state of completion. Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs (labour, materials and other direct costs) as contract activity progresses. Turnover is calculated by independent valuation. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Interest income

Revenue is recognised as interest accrues using the effective interest method.

Notes to the financial statements

at 30 April 2016

1. Accounting policies (continued)

Revenue recognition (continued)

Dividends

Revenue is recognised when the company's right to receive payment is established.

Stocks

Stock is measured at the lower of cost and estimated selling price less costs to complete and sell.

Provisions for liabilities

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.
- Deferred tax is recognised when the tax allowances for the cost of a fixed asset are received before or after the depreciation of the fixed asset is recognised in profit and loss. If and when all conditions for retaining the tax allowances have been met, the deferred tax is reversed.
- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Hire of plant and machinery

Hire of plant and machinery includes the cost of operators when these are included with the hire rate.

Operating leases

Rentals payable under operating leases and vehicle hire contracts are charged in the profit and loss account on a straight-line basis over the term of the lease.

Pensions

Retirement benefits for employees of the group are provided by two pension schemes.

The Midas Group Pension and Life Assurance Scheme, which was closed on 30 June 2004, is operated by the group and funded by contributions from all the group companies and employees. Midas Group Limited is the sponsoring employer of the United Kingdom defined benefit scheme as it has legal responsibility for the plan. There is no contractual agreement or stated policy for charging the defined benefit cost of the plan as a whole to individual group entities and therefore the company has recognised the entire net defined benefit cost and relevant net defined benefit liability of the United Kingdom scheme in its individual financial statements.

It provides retirement and associated benefits based on a defined level of contributions, subject to a guaranteed minimum level of benefits. These payments are made in accordance with periodic calculations by professionally qualified actuaries. The amounts charged to operating profit are the current service costs and gains or losses on settlements and curtailments. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are

Notes to the financial statements

at 30 April 2016

1. Accounting policies (continued)

Pensions (continued)

shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised in other comprehensive income.

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 the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities.

The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately on the face of the balance sheet.

Under the Midas Group Personal Pension Plan, a defined contribution scheme, contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Retirement benefits for certain directors of group companies are provided by a self-administered scheme which does not provide guaranteed benefits and which is funded by contributions from the group and employees. Contributions from the group are charged against profits of the year in which they are paid.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Basic financial instruments

Financial assets and liabilities are recognised/(derecognised) when the Group becomes/(ceases to be) party to the contractual provisions of the instrument. The Group holds the following financial assets and liabilities:

- *Cash*
- *Short-term trade and other debtors and creditors*

Cash in the balance sheet comprises cash at banks and in hand and short term deposits with an original maturity date of three months or less.

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

Classification of shares as debt or equity

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

i. there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and

ii. the instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the Group exchanging a fixed amount of cash or other assets for a fixed number of the Group's own equity instruments.

When shares are issued, any component that creates a financial liability of the company or group is presented as a liability in the balance sheet; measured initially at fair value net of transaction costs and thereafter at amortised cost until extinguished on conversion or redemption. The corresponding dividends relating to the liability component are charged as interest expense in the income statement. The initial fair value of the liability component is determined using a market rate for an equivalent liability without a conversion feature.

Notes to the financial statements

at 30 April 2016

1. Accounting policies (continued)

Classification of shares as debt or equity (continued)

The remainder of the proceeds on issue is allocated to the equity components and included in shareholders' equity, net of transaction costs. The carrying amount of the equity instruments is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the shares based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

Liquid resources

Liquid resources represent amounts held on deposit maturing within twelve months.

2. Turnover

Turnover, excluding VAT, comprises the value of work done on construction contracts and commercial development projects in the United Kingdom, analysed as follows:

	2016	*2015*
	£000	*£000*
Construction	214,856	246,750
Property services	5	35
Commercial developments	920	1,845
	215,781	248,630

3. Operating profit/(loss)

This is stated after charging/(crediting):

	2016	*2015*
	£000	*£000*
Audit of the financial statements	49	49
Other fees to auditor – FRS 102 conversion advice	15	12
Depreciation of owned fixed assets	382	386
Profit on sale of fixed asset	(25)	–
Operating lease rentals	238	224
Hire of plant and machinery	3,286	4,281
Contract hire of vehicles	612	587

4. Directors' remuneration

	2016	*2015*
	£000	*£000*
Remuneration	1,136	1,272
Company contributions paid to defined contribution pension schemes	124	130

Notes to the financial statements

at 30 April 2016

The remuneration for the year, excluding pension contributions, of the highest paid director amounted to £409,000 (2015 – £405,000).

The company paid contributions totalling £nil (2015 – £40,000) to a money purchase scheme in respect of the highest paid director.

Retirement benefits are accruing to 4 directors under a money purchase scheme (2015 – 4).

5. Staff costs

	2016	*2015*
	£000	*£000*
Wages and salaries	19,515	19,772
Social security costs	2,221	2,230
Other pension costs	1,536	1,513
	23,272	23,515

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

	No.	*No.*
Construction and development	303	329
Administration	110	114
	413	443

6. Interest receivable and similar income

	2016	*2015*
	£000	*£000*
Bank interest	113	218
Other interest	–	8
	113	226

7. Interest payable and similar charges

	2016	*2015*
	£000	*£000*
Dividends payable on LTIP shares (note 11)	–	–

Notes to the financial statements

at 30 April 2016

8. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2016	*2015*
	£000	*£000*
Current tax:		
UK corporation tax on the profit for the year	83	164
Group relief payable/(recoverable)	–	(155)
Adjustments in respect of prior years	(428)	3
Total current tax	(345)	12
Deferred tax:		
Depreciation in excess of capital allowances (note 8(c))	(27)	26
Effect of changes in tax rates on opening liability	–	(2)
Other timing difference re revaluation reserve	(3)	(3)
Adjustment in respect of pensions (note 20)	56	55
Tax on profit on ordinary activities (note 8(b))	(319)	88

(b) Factors affecting the total tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20% (2015 – 20.92%). The differences are explained below:

	2016	*2015 restated*
	£000	*£000*
Profit on ordinary activities before tax	235	113
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 – 20.92%)	47	24
Effects of:		
Expenses not deductible for tax purposes and non-taxable income	65	74
Adjustments in respect of prior years	(428)	3
Capital allowances in advance of depreciation prior year adjustment	–	(5)
Other non- taxable income	–	–
Deferred tax movement re revaluation reserve	(3)	(3)
Effects of changes in tax rates on opening liability	–	(2)
Pension provision tax rate changes	–	(3)
Tax charge for the year (note 8(a))	(319)	88

Notes to the financial statements

at 30 April 2016

9. Tax (continued)

(c) Deferred tax

The deferred tax included in the balance sheet is as follows:

Group		*Provided*		*Unprovided*
	2016	*2015*	*2016*	*2015*
	£000	*£000*	*£000*	*£000*
Included in debtors/ (note 14)	388	396	–	–
Deferred tax asset:				
Depreciation in excess of capital allowances	(15)	(44)	–	–
Short-term timing differences	23	25	–	–
Pension scheme related asset	424	461		
Revaluation reserve	(44)	(46)		
	388	396	–	–

	£000
At 1 May 2015	396
Deferred tax credit in group profit and loss account (note 8(a))	27
Adjustments in respect of prior years	–
Effect of other change re pension scheme and revaluation reserve	(35)
At 30 April 2016 (note 14)	388

10. Profit attributable to members of parent undertaking

The profit dealt with in the financial statements of the parent undertaking was £159,000 (2015 – profit of £583,000).

11. Dividends

	2016	*2015*
	£000	*£000*
Proposed for approval by shareholders:		
Final ordinary dividend for 2016 – £nil (2015 – £nil)	–	–

The dividends payable on LTIP shares of £nil (2015 – £nil) are included within interest payable (note 7).

Notes to the financial statements

at 30 April 2016

12. Tangible fixed assets

Group

	Land and buildings		*Fixtures, fittings and office*	
	Freehold	*Leasehold*	*equipment*	*Total*
	£000	*£000*	*£000*	*£000*
Cost or valuation:				
At 1 May 2015	5,783	506	1,729	8,018
Additions	–	–	79	79
Disposals	(684)	–	–	(684)
At 30 April 2016	5,099	506	1,808	7,413
Depreciation:				
At 1 May 2015	1,290	214	1,341	2,845
Charge for year	157	30	195	382
Disposals	(210)	–	–	(210)
At 30 April 2016	1,237	244	1,536	3,017
Net book value:				
At 30 April 2016	3,862	262	272	4,396
At 1 May 2015	4,493	292	388	5,173

The freehold property was valued by Stratton Creber, Commercial Property Consultants and Linnells Property Consultants, as at 30 April 2013, on the basis of existing use value in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors.

Included in cost or valuation at 30 April 2016 is an amount of £2,111,000 (2015 – £2,743,000) in respect of this valuation. The persons carrying out the valuations were external to the company.

Notes to the financial statements

at 30 April 2016

12. Tangible fixed assets (continued)

Company

	Freehold property	*Leasehold property*	*Fixtures, fittings and office equipment*	*Total*
	£000	*£000*	*£000*	*£000*
Cost:				
At 1 May 2015	5,682	386	1,409	7,477
Additions	–	–	73	73
Disposals	(684)	–	–	(684)
At 30 April 2016	4,998	386	1,482	6,866
Depreciation:				
At 1 May 2015	1,189	166	1,084	2,439
Charge for year	157	14	178	349
Disposals	(210)	–	–	(210)
At 30 April 2016	1,136	180	1,262	2,578
Net book value:				
At 30 April 2016	3,862	206	220	4,288
At 1 May 2015	4,493	220	325	5,038

The freehold property was valued by Stratton Creber, Commercial Property Consultants and Linnells Property Consultants, as at 30 April 2013 on the basis of existing use value in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors.

Included in cost or valuation at 30 April 2016 is an amount of £2,111,000 (2015 – £2,743,000) in respect of this valuation. The persons carrying out the valuations were external to the company.

On the historical cost basis the revalued land and buildings would have been included as follows:

		Group		*Company*
	2016	*2015*	*2016*	*2015*
	£000	*£000*	*£000*	*£000*
Cost	3,089	3,849	3,089	3,849
Cumulative depreciation based on cost	1,112	1,238	1,112	1,238

Notes to the financial statements

at 30 April 2016

13. Investments

Group

	Trade investments £000
At 1 May 2015 and at 30 April 2016	252

Company

	Trade investments £000	*Subsidiary undertakings £000*	*Total £000*
At 1 May 2015	252	845	1,097
Disposals	–	–	–
At 30 April 2016	252	845	1,097

On 27 April 2015, Midas Group Limited transferred the entire ordinary share capital of its 100% owned subsidiary, Midas Property Services (UK) Limited, to Midas Construction Limited, a fellow subsidiary company for proceeds of £946,000 resulting in a loss on disposal of £1,450,000.

As at the 30 April 2016 details of the investments in which the company directly holds 20% or more of the nominal value of any class of share capital are as follows:

Name of company	*Holding*	*Proportion of voting rights and shares held*	*Nature of business*
Midas Construction Limited	Ordinary shares	100%	Construction
Midas Commercial Developments Limited	Ordinary shares	100%	Commercial Development
Midas Retail Limited	Ordinary shares	100%	Construction
Mi-space (UK) Limited	Ordinary shares	100%	Social Housing
Midas Pension Trustee Company Limited	Ordinary Shares	100%	Corporate Pension Trustee
Medicinq Limited	Ordinary shares	50%#	Joint Venture Co.

As at the 30 April 2016 details of the investments in which the company indirectly holds 20% or more of the nominal value of any class of share capital are as follows:

Name of company	*Holding*	*Proportion of voting rights and shares held*	*Nature of business*
Midas Property Services (UK) Limited	Ordinary shares	100%	Property Services

In the year ended 30 April 2016, the share of the result of Medicinq Limited is not material to these financial statements, therefore full Joint Venture accounting disclosures are not given.

All of the above undertakings are registered in England and Wales.

Notes to the financial statements

at 30 April 2016

14. Stocks

		Group		*Company*
	2016	*2015 restated*	*2016*	*2015 restated*
	£000	*£000*	*£000*	*£000*
Raw materials and components	800	800	–	–
	800	800	–	–

15. Debtors

		Group		*Company*
	2016	*2015 restated*	*2016*	*2015 restated*
	£000	*£000*	*£000*	*£000*
Trade debtors	19,977	23,839	35	14
Amount due from subsidiary undertakings	–	–	3,257	3,683
Other debtors	903	60	1,317	432
Prepayments and accrued income	1,288	749	912	444
Deferred tax (note 8(c))	388	396	371	379
Amounts recoverable on contracts	28,526	21,240	–	–
Corporation tax	504	87	96	67
Other taxes and social security costs	–	–	–	–
	51,586	46,371	5,988	5,019

16. Creditors: amounts falling due within one year

		Group		*Company*
	2016	*2015 restated*	*2016*	*2015 restated*
	£000	*£000*	*£000*	*£000*
Bank loans and overdrafts	–	–	5,727	5,693
Excess of payments on account	–	–	–	–
Trade creditors	14,923	14,266	744	632
Amount due to subsidiary undertakings	–	–	286	–
Corporation tax	–	–	–	–
Deferred tax (note 8(c))	–	–	–	–
Other taxes and social security costs	1,478	1,503	124	123
Accruals and deferred income	52,328	55,966	542	655
LTIP shares	1	1	–	–
	68,730	71,736	7,423	7,103

Notes to the financial statements

at 30 April 2016

15. Creditors: amounts falling due within one year (continued)

LTIP shares

LTIP shares are issued in subsidiary companies and their respective rights and privileges are detailed in those subsidiary financial statements.

In the event that the parent undertaking is disposed or sold, or in the event of a Listing of the parent undertaking, then the subsidiary company in which the LTIP shares are issued is required to acquire the LTIP shares by way of a purchase or redemption of own shares.

16. Creditors: amounts falling due after more than one year

		Group		*Company*
	2016	*2015*	*2016*	*2015*
	£000	*£000*	*£000*	*£000*
Dividends on LTIP shares	–	–	–	–

The dividend declared on the LTIP shares is payable on the last day of the 24th month after it is declared and its payment is contingent on the holder of the relevant LTIP share remaining an employee of the issuing company until the dividend has been paid.

17. Issued share capital

		2016		*2015*
Allotted, called up and fully paid	*No.*	*£000*	*No.*	*£000*
Ordinary shares of £1 each	439,011	439	439,011	439

18. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash flow from operating activities

	2016	*2015*
	£000	*£000*
Operating profit/(loss)	196	(33)
Depreciation	382	368
Profit on sale of tangible fixed assets	(25)	–
Decrease in stocks	–	2,173
Increase in debtors	(4,856)	(446)
Decrease in creditors	(3,006)	(3,268)
Tax paid	(72)	(139)
Defined benefit cost less contribution paid	(354)	(357)
Net cash flow from operating activities	(7,735)	(1,702)

Notes to the financial statements

at 30 April 2016

18. Notes to the statement of cash flows (continued)

(b) Analysis of net funds

	At 1 May 2015	*Cash flow*	*At 30 April 2016*
	£000	*£000*	*£000*
Cash at bank and in hand	29,530	(7,151)	22,379

19. Capital commitments

At 30 April 2016, the group had committed to spend £nil (2015 – £nil) on fixed assets.

20. Pensions

As explained in the accounting policies the group operates two pension schemes:

Defined contribution scheme

The group operates a defined contribution scheme, the Midas Group Personal Pension Plan, where assets are held separately from those of the group in an independently administered fund. The contributions outstanding at the year end included in creditors (note 15) are £94,000 (2015 – £68,000). The pension cost for the year was £1,495,000 (2015 – £1,471,000).

Midas group pension and life assurance scheme

The Midas Group Pension and Life Assurance Scheme was closed with effect from 30 June 2004. The scheme provides retirement and associated benefits based on a defined level of contributions, subject to a guaranteed minimum level of benefits. The contributions are determined by a qualified independent actuary on the basis of triennial valuations using the projected unit method. Preserved benefits will be funded by way of future special employer contributions. The contributions will be determined at each triennial actuarial valuation, however it is estimated that they will be approximately £356,000 per annum.

The expected rate of return on assets is the weighted average of the smoothed long term rate expected for the assets underlying the deposit administration managed funds, and the rate expected on cash being a long term gilt yield less 0.5% at the relevant balance sheet date.

The assets and liabilities of the scheme at 30 April are:

	2016	*2015 restated*
	£000	*£000*
Scheme assets at fair value:		
Equities	2,142	2,076
Corporate bonds	4,385	4,244
Gilts	722	707
Cash	132	126
Fair value of scheme assets	7,381	7,153
Present value of scheme liabilities	9,499	9,458
Defined benefit pension scheme liability	(2,118)	(2,305)

The pension scheme has not invested in any of the group's own financial instruments nor in properties or other assets used by the group.

Notes to the financial statements

at 30 April 2016

20. Pensions (continued)

The amounts recognised in the group profit and loss account and in the group statement of other comprehensive income for the year are analysed as follows:

	2016	*2015*
	£000	*£000*
Recognised in the profit and loss account:		
Expected return on pension scheme assets	255	264
Expenses	–	–
Interest on obligation	(329)	(344)
Other finance cost	(74)	(80)
Total recognised in the profit and loss account	(74)	(80)

Taken to the statement of other comprehensive income:

	2016	*2015*
	£000	*£000*
Actual return on scheme assets	(34)	882
Less: expected return on scheme assets	(255)	(264)
	(289)	618
Other actuarial gains and losses	196	(1,166)
Actuarial gains and losses recognised in the statement of other comprehensive income	(93)	(548)

		2016	*2015*
		%	*%*
Rate of increase in pensions in payment (RPI)		3.1	3.2
Deferred pension revaluation		2.1	2.2
Discount rate		3.6	3.5
Expected rates of return on scheme assets:			
Cash		0.0	0.0
Equities		6.9	6.9
Corporate bonds		3.7	3.7
Gilts		2.9	2.9
Property		N/A	N/A
Inflation assumption	– CPI	2.1	2.2
Post-retirement mortality at age 65	– male	28.6 years	28.8 years
	– female	31.2 years	31.4 years

Notes to the financial statements

at 30 April 2016

20. Pensions (continued)

Changes in the present value of the defined benefit obligations are analysed as follows:

	£000
At 1 May 2014	8,053
Interest cost	344
Benefits paid	(105)
Actuarial gains and losses	1,166
At 1 May 2015	9,458
Interest cost	329
Benefits paid	(92)
Actuarial gains and losses	(196)
At 30 April 2016	9,499

The defined benefit obligation arises from plans that are wholly or partly funded.

Changes in the fair value of plan assets are analysed as follows:

	£000
At 1 May 2014	6,019
Expected return on plan assets	264
Employer contributions	357
Benefits paid	(105)
Actuarial gains and losses	618
At 1 May 2015	7,153
Expected return on plan assets	255
Employer contributions	354
Benefits paid	(92)
Actuarial gains and losses	(289)
At 30 April 2016	7,381

	2016	*2015*	*2014*	*2013*	*2012*
	£000	*£000*	*£000*	*£000*	*£000*
Fair value of scheme assets	7,381	7,153	6,019	5,733	4,659
Present value of defined benefit obligation	(9,499)	(9,458)	(8,053)	(8,022)	(6,674)
Deficit in the scheme	(2,118)	(2,305)	(2,034)	(2,289)	(2,015)
Experience adjustments arising on plan liabilities	152	73	(6)	(428)	218
Experience adjustments arising on plan assets	(289)	618	(195)	567	32

The value of assets for prior periods has not been restated because for all years the invested assets are taken as the fair value of the insured assets held in the deposit administration type fund.

The cumulative amount of actuarial gains and losses recognised since 1 May 2003 in the statement of other comprehensive income is a net loss of £4,506,000 (2015 – loss of £4,413,000).

Notes to the financial statements

at 30 April 2016

21. Other financial commitments

At 30 April 2016 the group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2016	*2015*
	£000	*£000*
Operating leases which expire:		
Within one year	8	–
In one to two years	43	32
In two to five years	88	110
Over five years	99	99
	238	241

At 30 April 2016 the company had annual commitments under non-cancellable operating leases of £99,000 (2015 – £99,000).

22. Contingent liabilities

i. The group enters into performance bonds in the normal course of business. The directors do not expect any liability to arise in respect of these transactions.

ii. The company has guaranteed performance bonds entered into by subsidiary and associate undertakings.

23. Related party transactions

During this and the prior year the group leased and occupied premises at Pynes Hill, Exeter from S L Hindley, M W Hocking and the Trustees of the IPS Pension Builder. The annual rental payable is £99,000 (2015 – £99,000). At the balance sheet date the amount due to S L Hindley, M W Hocking and Trustees of the IPS Pension Builder was £nil (2015 – £nil).

D F Rogerson is a director of Midas Group Limited and is also a director and shareholder of Falmouth Developments Limited. In the year Midas Group Limited provided a loan of £897k to Falmouth Developments Limited and charged interest of £nil. At the balance sheet date the £897k loan amount is outstanding with £nil accrued loan interest payable. During the year Falmouth Developments Limited purchased land for £720k from Midas Commercial Developments Limited, a subsidiary of Midas Group Limited.

24. Ultimate parent undertaking and controlling party

The company and group are controlled by S L Hindley.

As at 30 April 2015 S L Hindley had a majority shareholding in the Ordinary shares of Midas Group Limited.

Notes to the financial statements

at 30 April 2016

25. Transition to FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 May 2014. These are the company's first full year financial statements prepared in accordance with FRS 102. The accounting policies, set out in note 1, have been applied in preparing the financial statements for the year ended 30 April 2016 and the comparative year ended 30 April 2015.

The impact from the transition to FRS 102 is as follows:

Reconciliation of equity at 1 May 2014

	Group	*Company*
	£000	*£000*
Equity Shareholders funds at 1 May 2014 under previous UK GAAP	10,979	3,911
Holiday pay accrual	(280)	(39)
Current tax on holiday pay accrual	63	10
Deferred tax on revaluation of property plant and equipment	(49)	(49)
Current tax effect of group relief	–	(1)
Equity Shareholders funds at 1 May 2014 under FRS102	10,713	3,832

Reconciliation of equity at 30 April 2015

	Group	*Company*
	£000	*£000*
Equity Shareholders funds at 30 April 2015 under previous UK GAAP	8,370	1,832
Holiday pay accrual	(308)	(51)
Current tax on holiday pay accrual	68	12
Deferred tax on revaluation of property plant and equipment	(46)	(46)
Current tax effect of group relief	–	(1)
Current tax effect of FRS 102 change to pension scheme	1	1
Equity Shareholders funds at 30 April 2015 under FRS102	8,085	1,747

The following were changes in accounting policies arising from the transition to FRS 102:

Holiday pay accrual

Under previous UK GAAP, the company accrued for holiday pay where this was expected to be paid as a cash sum where the employee was entitled to carry forward holidays earned indefinitely. However, the Group did not accrue for holiday pay that was earned but the holiday entitlement was expected to be taken in the subsequent financial year. Under FRS 102, the Group is required to accrue for all short-term compensated absences as holiday entitlement earned but not taken at the date of the statement of financial position. The impact for the Group is to increase holiday pay accrued by £280,349 and £309,035 at 1 May 2014 and 30 April 2015 respectively. The impact for the company is to increase holiday pay accrued by £38,644 and £50,226 at 1 May 2014 and 30 April 2015 respectively.

Inventory and long term contracts

The definition of inventory under FRS 102 does not include long term contract balances. On transition, inventory balances related to long term contracts have been reclassified to amounts recoverable on contracts in debtors, deferred income and accruals within creditors.

Notes to the financial statements

at 30 April 2016

25. Transition to FRS 102 (continued)

Tax

On transition to FRS 102, Midas Group Limited has disclosed a reconciliation of the tax charge/ (credit) included in profit or loss and the profit or loss on ordinary activities before tax multiplied by the applicable tax rate. Under previous UK GAAP, a reconciliation of only current tax was disclosed.

Deferred tax on revaluation of property plant and equipment

Under FRS 102 there is no exemption from recognition of deferred tax on revaluations. The deferred tax liability on the historic revaluation of freehold property not recognised under previous UK GAAP has now been recognised on the balance sheet. The impact is to increase the deferred tax liability by £46,102 and £48,702 at 1 May 2014 and 30 April 2015 respectively.

Pension

Under previous UK GAAP the deferred tax on pension scheme liabilities was presented net against the pension scheme liability. Under FRS 102 the deferred tax is disclosed with other deferred tax assets or liabilities and not presented net against the pension scheme liability. The impact is to increase the pension scheme liability and deferred tax asset by £424,000 and £461,000 at 1 May 2014 and 30 April 2015 respectively.

There is a presentation change under FRS 102 whereby net interest on the defined benefit pension liability is presented in the profit and loss account using the liability discount rate. Under previous UK GAAP the interest on the expected return on net assets was calculated using an expected asset return discount rate. This had no impact on shareholder's equity on transition but affects the allocation of interest between the profit and loss account and other comprehensive income.

Reconciliation of profit and loss for the year ended 30 April 2015

	Group	*Company*
	£000	*£000*
Profit for the year ended 30 April 2015 under previous UK GAAP	53	583
Increase in holiday pay accrual	(28)	(12)
Current tax on holiday pay accrual	5	2
Decrease in deferred tax on revaluation of property plant and equipment	3	3
Decrease in deferred tax movement re FRS102 pension scheme valuation	3	3
Increase in interest cost re FRS 102 change to pension scheme valuation	(11)	(11)
Profit for the year ended 30 April 2015 under FRS102	25	568