

# **Midas Construction Limited**

## **Report and Financial Statements**

31 October 2020

Registered number 1240442

**Directors**

S L Hindley  
A E Hope  
S G Poulter  
D Quinn (resigned 10 January 2020)  
D F Rogerson (resigned 1 July 2019)  
M J Ready (appointed 1 July 2019)  
P S Strachan (resigned 31 October 2019)  
W A McAdam

**Secretary**

D F Rogerson (resigned 1 July 2019)  
M J Ready (appointed 1 July 2019)

**Auditors**

Ernst & Young LLP  
The Paragon  
Counterslip  
Bristol BS1 6BX

**Bankers**

Lloyds Bank  
Canons House  
Canons Way  
Bristol, BS1 5LL

**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 18-month period ended 31 October 2020.

### Change in accounting reference date

Pursuant to the Covid-19 environment, Midas Construction Limited changed its' accounting reference date to 31 October. As such, the period ended 31 October 2020 is an 18-month accounting period.

This decision was made considering the practicalities of carrying out a year end audit in the Covid-19 environment and with the view of potentially limiting the Covid-19 financial impact on the business to a single accounting period.

Companies House was informed of this change on 12 June 2020.

### Review of the business

The Company is a wholly owned subsidiary of Midas Group Limited.

Midas Construction Limited ('MCL') now operates through seven regional offices providing a complete range of construction related services to both private and public sector clients. Midas Construction Limited continues to conduct the majority of the Midas group's fit-out and refurbishment work, serving to strengthen the Interiors brand, whilst still providing clients with a bespoke service delivered by experienced specialist teams. During the period, the group conducted a restructure which moved all new build residential activity, previously reported within Mi-space (UK) Limited, into Midas Construction Limited.

The headline financials for the year were as follows:

	2020 <sup>1</sup>	2019 <sup>2</sup>	%
	£'000	£'000	Change
Turnover	260,789	190,120	37
(Loss)/Profit before tax	(650)	494	(232)
(Loss)/Profit after tax	(547)	451	(221)
Net assets	4,279	4,826	(11)
Cash at bank and in hand	17,675	18,802	(6)

1. 2020 is an 18-month period ended 31 October 2020

2. 2019 is a 12-month period ended 30 April 2019

Turnover for the 18 month period was £260.8m, reflecting the lengthened accounting period but also the impact of Covid-19 restrictions encountered during the period. Market conditions remain tough with downward pressure on margins leading to a loss before tax of £650k (year ended 30 April 2019 – profit of £494k). After a tax credit for the year of £103k, the company reported a loss after tax of £547k (year ended 30 April 2019 – profit of £451k) resulting in a decrease in net assets of 11% to £4,279k.

The company does not have any external banking facilities and at the year-end its net indebtedness with other members of the group amounted to £4,348k payable (2019 – £374k payable).

This year's cash balance closed at £17,675k, a decrease of 6% on last year, reflective of increased activity and further demonstrating the underlying strength of the company and focus on working capital management.

The company has achieved ISO9001 and ISO14001 accreditation, together with ISO45001 accreditation for Health & Safety.

Order books for MCL remain at levels which the directors believe will provide a positive outlook for the coming year.

## Strategic report (continued)

### Covid-19

Covid-19 severely impacted the UK economy and businesses. Whilst construction activity was not subject to a direct Government instruction to cease, it was nevertheless impacted. As such, Midas group worked hard to mitigate impacts and implemented measures to protect its business.

As the Covid-19 situation developed, an internal taskforce was established to maintain site operations and control the managed temporary shutdown of sites where required in consultation with, and support from, our customers and supply chain. At the height of the first Covid-19 lockdown we managed to continue to operate 25 projects live on-site (out of a pre-Covid-19 portfolio of 64) in consideration of government and Construction Leadership Council guidance and in full compliance with government health and safety guidance.

The directors carefully considered the risks to the business caused by Covid-19 and systematically implemented measures to monitor and mitigate the effects of the virus including health and safety protocols for our employees and sub-contractors; work practices to maintain social distancing; additional cleaning regimes; and promoting working from home where possible.

By 31 October 2020, the reporting period end, all sites were live and operational and continued to progress in line with programme and project completion dates.

Due to the strong forward order book going into the 2020-2021 financial year, the directors expect the business to recover and forecast a return to pre-Covid operating norms.

However, we continue to monitor and assess the risks due to the impact of Covid-19 on the economy and we have not seen any material impact on the level of secured work going forward. Accordingly, we are not anticipating the economic environment and market conditions to have a material impact on future financial performance.

### Section 172 Companies Act 2006 statement

The directors consider the matters set out in section 172(1) of the Companies Act 2006 when performing their duty and consider they have acted in good faith in the way that would be most likely to promote the success of the company. The directors have continuing regard as to the interest of the company's employees and other stakeholders, the impact of its activities on the community, the environment and the company's reputation for good business conduct.

Midas is committed to engaging with its employees, stakeholders and the communities in which it operates.

This statement sets out how the directors comply with the requirements of section 172.

Stakeholders	Engagement
Group Board	<p>The board's primary responsibility is to promote the long-term success of the group by delivering shareholder value as well as contributing to wider society.</p> <p>In the case of Midas being a private company, the group board is responsible for all day-to-day management of the group's affairs. All key decisions are reserved for board approval. This includes the determination of group strategy and long-term direction, reviewing health and safety performance, approval of budgets, organisational changes, and changes in key policies. The board operates an agenda of standing items appropriate to the group's operating and reporting cycles with items requiring board approval clearly defined. The board also monitors the effectiveness of the group internal controls, governance, and risk management.</p> <p>The success of the group relies on key inputs and positive relationships with a wide range of stakeholders. The board seeks to achieve this by setting out its strategy, monitoring performance against the group's objectives and reviewing implementation of the strategy.</p>

## Strategic report (continued)

	<p>The board maintains high standards of conduct and considers the reputation of the group seriously and regularly reviews how the group maintains positive relationships with all stakeholders, including suppliers and customers.</p> <p>Our Chairman and majority shareholder Steve Hindley CBE DL is Chairman of the steering group for The Great South West, a Trustee for Children’s Hospice South West and a board member on Liveable Exeter Place board.</p> <p>In the past, Steve has held key positions in the sector including:</p> <ul style="list-style-type: none"> <li>- Former Chair of the CBI Construction Council and CBI South West Council</li> <li>- Former Chair of the Heart of the South West LEP, the entity tasked with promoting economic growth and development in Devon and Somerset by combining the efforts of Public Authorities and the Private Sector in the area.</li> <li>- Former Chair of Constructing Excellence South West Leadership Council</li> </ul>
Employees	<p>The skills, commitment and loyalty of employees is fundamental to the business.</p> <p>The health and safety of employees and supply chain providers is a key priority, and the directors review the performance in this area at each scheduled meeting. A long-term strategic objective of the group has been to embed health, safety and wellbeing into to culture of our business.</p> <p>Throughout the Covid-19 challenging environment the board has strived to protect both the health and safety of our employees and supply chain providers as well as protecting the business for the future.</p> <p>The group regularly communicates with employees through monthly CEO Updates, periodic roadshows and intranet offering employees the opportunity to interact with members of the board and other key management personnel.</p> <p>The group’s periodic roadshow and the CEO Updates are the means by which the CEO informs and updates staff on the aims and objectives of the group, business performance, plans and future outlook and provides employees with an opportunity to ask questions, or seek clarification, on the group’s purpose, goals and direction.</p> <p>A regular employee survey is undertaken to allow employees to provide their experience working at Midas which provides senior management with valuable feedback that is seriously considered and acted upon.</p> <p>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. A growing number of employees participate in continuous improvement teams, in the continuous improvement of effective management systems.</p> <p>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.</p> <p>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 wherever appropriate</p>
Customers	<p>The directors monitor how the group engages with its customers by performing regular customer engagement surveys. The results of these surveys are reviewed by the board and the findings are used to improve customer engagement.</p>

## Strategic report (continued)

Contractors and suppliers	<p>The directors understand the importance of the group's supply chain in delivering the long-term plans of the group. All contractors and suppliers are reviewed to ensure they have the relevant capability, experience, financial standing and resources to undertake the work we award to them. Our supply chain is continually monitored to ensure we maintain the high standards required by us and our customers.</p> <p>All operating companies within the group work closely with their principal subcontractors in order to establish long term relationships.</p>
Community	<p>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.</p> <p>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 now holds Partner status.</p>
Environmental	<p>Midas is committed to operating in an environmentally responsible manner.</p> <p>Midas complies with the Energy Savings Opportunity Scheme (ESOS)</p>

During the reporting period, the board made principal decisions considered material to the Midas group as follows:

Principal decisions	Considerations
Change in accounting reference date	<p>Pursuant to the Covid-19 environment, the board made the decision to change the accounting reference date for all group companies to 31 October to effectively extend the 2019-20 reporting period to an 18-month period ending 31 October 2020.</p> <p>This decision was made considering the practicalities of carrying out a year-end audit in the uncertain Covid-19 environment and with the view to limiting the Covid-19 financial impact on the business to a single accounting period.</p> <p>Companies House was informed of this change on 12 June 2020.</p>
Business restructure	<p>In response to the Covid-19 operating environment, the board made the decision to re-structure the business from five business units to four with the <i>Living</i> business unit absorbed by the <i>Wales &amp; Wessex</i> and <i>Somerset, Devon &amp; Cornwall</i> business units. The rationale for the change was to achieve cost savings by reducing a layer of management and consolidating the <i>Living</i> business with the construction business units by operating geography without impacting on revenues and customer service levels.</p> <p>To implement the change the board also undertook a redundancy process.</p>

In making these decisions the board considered their duty to promote the success of the company, the fundamental business need, impact on stakeholders, the long term benefit to employees, the need to maintain a reputation for high standards of business conduct and to act fairly.

## Strategic report (continued)

### Principal risks and uncertainties

The company 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 company continues to capture and measure data at divisional and company levels with all the KPIs linking back to the group 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 company are broadly grouped as competitive, legislative and financial.

#### Competitive risks

MCL holds a place on 17 frameworks providing construction services in both the private and public sectors and continues to be successful in securing both private and public sector new orders.

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 its employees, but also delivers some training of the same high standard to its sub-contractors.

Labour market forces also place pressure on the company to retain its people which are seen as its major asset. In order to retain staff, the company aims to offer competitive remuneration packages and structured career development opportunities, but is 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 preclude the company from winning new work as customers continually look for excellent and improving Health and Safety records from their preferred contractors. The group AFR is 0.11 which compares favourably with its peers within the industry and may help win new work from current or potential customers.

#### 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 has not had to enforce the policy.

As a construction company, the strength of the national and global economy has a direct impact on capital investment programmes in the private sector. Any downturn in the economy can restrict capital investment and, consequently, activity levels. Increases in interest rates make funding capital investment more expensive and therefore may reduce private sector appetite for investing in capital projects. Conversely, availability of grant funding in assisted areas encourages inward investment and stimulates construction and wider general economic activity.

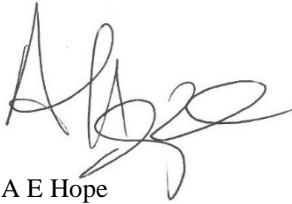
The commercial risks associated with construction contracts are many and varied, but a robust pre-tender bid/no-bid assessment together with strong procedures in the identification of both risk and opportunity at a project level, complimented by rigorous compliance and review seek to mitigate the effects.

## Strategic report (continued)

### 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, within which it now holds Partner status.

By order of the Board



A E Hope  
Director  
24 June 2021



Registered No. 1240442

## Directors' report

The directors present their report for the 18 month period ended 31 October 2020.

### Directors

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

S L Hindley (Chairman)

A E Hope

W A McAdam

S G Poulter

D Quinn (resigned 10 January 2020)

D F Rogerson (resigned 1 July 2019)

P S Strachan (resigned 31 October 2019)

M J Ready (appointed 1 July 2019)  
(resigned 10 March 2021)

### Dividends

The directors do not recommend the payment of a final dividend (2019 - £nil). No interim ordinary dividend was paid in the year (2019 - £nil)

### Going concern

The company'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 company 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 company is well placed to manage its business risks successfully.

In assessing the going concern position of the company's financial statements for the eighteen-month period ended 31 October 2020, the directors have considered the company's financial position and have obtained from their immediate and ultimate parent company, Midas Group Limited, an undertaking that for 12 months from the date of signing these financial statements it will make available funds for the company, if such are needed. This will enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. Midas Group Limited has undertaken its own assessment of going concern, which it has confirmed, by considering the Group's cash flows, liquidity, business activities and banking arrangements. The directors of the Group have prepared sensitivity analysis to consider the impact of additional and downside scenarios that it considers unlikely, including the non-renewal of its overdraft facility after 31 October 2021, despite this being considered a high unlikely circumstance. The directors of the Group are confident that the strength of its order book and the mitigating actions that are within the Group's control, including reductions in capital and other expenditure, will allow the Group to maintain sufficient liquidity.

Therefore, based on the above, the directors of the company continue to adopt the going concern basis in preparing the financial statements.

### Energy and Carbon emissions reporting

#### *Reporting Period*

This report covers the consumption and emissions arising for the company for the 18-month period 1 May 2019 to 31 October 2020.

## Directors' report (continued)

### Energy and Carbon emissions reporting (continued)

#### *Principal Energy Efficiency Actions*

The company complies with the Energy Savings Opportunity Scheme (ESOS) and seeks to identify cost effective energy savings opportunities to reduce carbon emissions.

The company completed its Phase 2 ESOS assessment in September 2019 for the compliance reference period 6 December 2015 to 5 December 2019.

#### *Methodology*

Types of energy usage across the company includes:

- Site utilities including electricity and diesel
- Motor vehicle fuel

Conversion factors used are taken from the '2020 UK Government's GHG Conversion Factors for Company Reporting' to calculate emissions for Scope 1,2 and 3.

#### *UK Energy Use and GHG Emissions*

The tables below detail the energy used by the company in its business activities involving the combustion of gas and fuels, the purchase of electricity and business mileage in both kWh and tCO<sub>2</sub>e. It also details the total energy and emissions by scope and as a total.

Type of energy	Energy Usage	Measurement Unit	GHG Emissions	Measurement Unit
Site electricity	3,965,423	kWh	924	tCO <sub>2</sub> e
Site diesel	6,174,580	kWh	1,485	tCO <sub>2</sub> e
Motor vehicle fuel	3,291,483	kWh	839	tCO <sub>2</sub> e
Total	13,431,486	kWh	3,248	tCO <sub>2</sub> e

Scope	Energy Usage	Measurement Unit	GHG Emissions	Measurement Unit
Scope 1	9,466,063	kWh	2,324	tCO <sub>2</sub> e
Scope 2	3,965,423	kWh	924	tCO <sub>2</sub> e
Total	13,431,486	kWh	3,248	tCO <sub>2</sub> e

#### *Intensity Ratio*

In this instance the intensity ratio used for the company is 12.5 tCO<sub>2</sub>e per million £ of turnover based on the total tCO<sub>2</sub>e emissions divided turnover in the financial period.

### Disabled employees

The Midas 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.

## Directors' report (continued)

### 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 in 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 company 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.

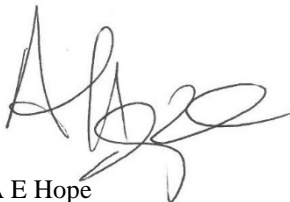
### Disclosure of information to the auditors

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 company'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



A E Hope  
Director  
24 June 2021

## 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 company and of the profit or loss of the company 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 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 Construction Limited

### Opinion

We have audited the financial statements of Midas Construction Limited for the year ended 31 October 2020 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 19, 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 FRS 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 company's affairs as at 31 October 2020 and of its loss 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 below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

We draw attention to the going concern disclosures on page 8 and Note 1 of the financial statements which describe the financial and operational consequences the company is facing as a result of COVID-19. Our opinion is not modified in respect of this matter.

### 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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

# Independent auditors' report (continued)

## to the members of Midas Construction Limited

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 directors

As explained more fully in the directors' responsibilities statement set out on page 11, 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 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 company or to cease operations, or have no realistic alternative but to do so.

### 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

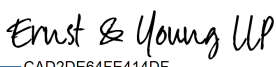
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# Independent auditors' report (continued)

to the members of Midas Construction Limited

## Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

DocuSigned by:  
  
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John Howarth (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Bristol  
25 June 2021

## Profit and loss account

for the year ended 31 October 2020

		<i>18 month period 2020 £000</i>	<i>12 month period 2019 £000</i>
	<i>Notes</i>		
<b>Turnover</b>	2	260,789	190,120
Cost of sales		<u>(250,301)</u>	<u>(181,836)</u>
<b>Gross profit</b>		10,488	8,284
Administrative expenses		(12,142)	(7,806)
other income		<u>993</u>	<u>–</u>
<b>Operating (loss)/profit</b>	3	(661)	478
Interest receivable and similar income	6	<u>11</u>	<u>16</u>
<b>Loss/profit before taxation</b>		(650)	494
Tax	7	<u>103</u>	<u>(43)</u>
<b>(Loss)/profit for the financial year</b>		<u><u>(547)</u></u>	<u><u>451</u></u>

All amounts relate to continuing activities. There is no other comprehensive income for the period (2019: nil). Loss for the period represents total comprehensive income.

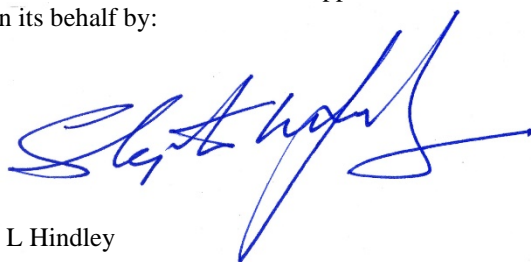


## Balance sheet

at 31 October 2020

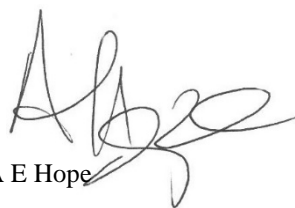
		<i>18 month period 2020 £000</i>	<i>12 month period 2019 £000</i>
	<i>Notes</i>		
<b>Fixed assets</b>			
Tangible assets	9	12	26
		<u>12</u>	<u>26</u>
<b>Current assets</b>			
Debtors	10	78,219	46,815
Cash at bank and in hand		17,675	18,802
		<u>95,894</u>	<u>65,617</u>
<b>Creditors:</b> amounts falling due within one year	11	91,627	60,817
		<u>4,267</u>	<u>4,800</u>
<b>Net current assets</b>		<u>4,279</u>	<u>4,826</u>
<b>Total assets less current liabilities</b>		<u>4,279</u>	<u>4,826</u>
<b>Creditors:</b> amounts falling due after more than one year	12	–	–
<b>Net assets</b>		<u>4,279</u>	<u>4,826</u>
<b>Capital and reserves</b>			
Called up share capital	13	250	250
Profit and loss account		4,029	4,576
<b>Shareholders' funds</b>		<u>4,279</u>	<u>4,826</u>

The financial statements were approved and authorised for issue by the board on 24 June 2021 and signed on its behalf by:



S L Hindley

Director



A E Hope

Director

Registered No. 1240442

## Statement of changes in equity

at 31 October 2020

	<i>Called up share capital</i> £000	<i>Profit and loss account</i> £000	<i>Total Equity</i> £000
At 1 May 2018	<b>250</b>	<b>4,125</b>	<b>4,375</b>
Profit for the year	–	451	451
Dividends paid	–	–	–
<b>At 30 April 2019</b>	<b>250</b>	<b>4,576</b>	<b>4,826</b>
Loss for the year	–	(547)	(547)
Dividends paid	–	–	–
<b>At 31 October 2020</b>	<b>250</b>	<b>4,029</b>	<b>4,279</b>

## Notes to the financial statements

at 31 October 2020

### 1. Accounting policies

#### ***Statement of compliance***

Midas Construction 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 company's 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 company for the period ended 31 October 2020.

#### ***Basis of preparation***

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The functional currency of Midas Construction 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.

Certain of the company'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 financial statements in proportion to the company's interest in the income, expenses, assets and liabilities of these joint arrangements.

#### ***Going concern***

The company'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 company 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 company is well placed to manage its business risks successfully.

In assessing the going concern position of the company's financial statements for the eighteen-month period ended 31 October 2020, the directors have considered the company's financial position and have obtained from their immediate and ultimate parent company, Midas Group Limited, an undertaking that for 12 months from the date of signing these financial statements it will make available funds for the company, if such are needed. This will enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. Midas Group Limited has undertaken its own assessment of going concern, which it has confirmed, by considering the Group's cash flows, liquidity, business activities and banking arrangements. The directors of the Group have prepared sensitivity analysis to consider the impact of additional and downside scenarios that it considers unlikely, including the non-renewal of its overdraft facility after 31 October 2021, despite this being considered a high unlikely circumstance. The directors of the Group are confident that the strength of its order book and the mitigating actions that are within the Group's control, including reductions in capital and other expenditure, will allow the Group to maintain sufficient liquidity.

Therefore, based on the above, the directors of the company continue to adopt the going concern basis in preparing the financial statements.

#### ***Statement of cash flows***

The company has taken advantage of the exemption from preparing a statement of cash flows as permitted by FRS 102, on the grounds that it is a wholly owned subsidiary undertaking of a company preparing publicly available group financial statements.

# Midas Construction Limited

at 31 October 2020

## 1. Accounting policies (continued)

### ***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.

### ***Tangible fixed assets***

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

Improvements to leasehold buildings	– 20%
Plant and 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

### ***Revenue recognition***

Revenue is recognised to the extent that the company 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.

### ***Stocks***

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

### ***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.

## Midas Construction Limited

at 31 October 2020

### 1. Accounting policies (continued)

#### ***Deferred Tax (continued)***

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.

#### ***Provisions for liabilities***

The company 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.

#### ***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 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 the company and employees. It provides retirement and associated benefits based on a defined level of contributions, subject to a guaranteed minimum level of benefits. The parent undertaking of Midas Construction Limited, Midas Group Limited, has adopted FRS 102 effective from 1 May 2014 and is legally responsible for the defined benefit plan. Midas Construction Limited recognises a cost equal to its contribution payable for the period in its financial statements in accordance with the provisions of FRS 102.

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.

#### ***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

# Midas Construction Limited

at 31 October 2020

## 1. Accounting policies (continued)

### *Classification of shares as debt or equity (continued)*

- (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.

The remainder of the proceeds on issue is allocated to the equity component and included in shareholders' equity, net of transaction costs. The carrying amount of the equity instrument 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.

## 2. Turnover

Turnover, excluding VAT, comprises the value of work done on construction contracts and refurbishment, the one continuing activity, in the United Kingdom.

## 3. Operating loss

This is stated after charging/(crediting):

	<i>18 month period 2020 £000</i>	<i>12 month period 2019 £000</i>
Depreciation of owned assets	22	26
other income – Furlough Grant received	(993)	–
Hire of plant and machinery	2,774	3,426
Operating lease rentals	138	131
Contract hire of vehicles	333	254

Auditor's remuneration in the current and prior year has been borne by Midas Group Limited, the parent undertaking of Midas Construction Limited.

## Midas Construction Limited

at 31 October 2020

### 4. Directors' remuneration

	<i>18 month period 2020 £000</i>	<i>12 month period 2019 £000</i>
Remuneration	<u>477</u>	<u>514</u>
Company contribution paid to defined contribution pension schemes	<u>87</u>	<u>119</u>

The remuneration for the year, excluding pension contributions, of the highest paid director amounted to £213,000 (2019 – £211,000).

The company paid contributions totalling £41,000 (2019 – £11,000) to a money purchase scheme in respect of the highest paid director.

Retirement benefits are accruing to 1 director under a money purchase scheme (2019 – 3).

The company paid compensation of office totalling £37,000 in the year (2019 – £nil).

### 5. Staff costs

	<i>18 month period 2020 £000</i>	<i>12 month period 2019 £000</i>
Wages and salaries	20,311	14,224
Social security costs	2,285	1,624
Other pension costs	2,051	1,351
	<u>24,647</u>	<u>17,199</u>

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

	<i>No.</i>	<i>No.</i>
Construction and contracting	214	221
Administration	40	37
	<u>254</u>	<u>258</u>

### 6. Interest receivable and similar income

	<i>18 month period 2020 £000</i>	<i>12 month period 2019 £000</i>
Bank interest	11	16
	<u>11</u>	<u>16</u>

## Midas Construction Limited

at 31 October 2020

### 7. Tax

(a) Tax on (loss)/profit on ordinary activities

The tax (credit)/charge is made up as follows:

	<i>18 month period 2020 £000</i>	<i>12 month period 2019 £000</i>
<b>Current tax:</b>		
UK corporation tax on the loss/profit for the year	(105)	129
Adjustments in respect of previous years	1	(79)
Total current tax credit/charge	<u>(104)</u>	<u>50</u>
<b>Deferred tax:</b>		
Depreciation in excess of capital allowances (note 7(c))	1	(7)
Effect of change in UK corporate tax rate	–	–
Tax on (loss)/profit on ordinary activities (note 7(b))	<u>(103)</u>	<u>43</u>

(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 19% (2019 – 19%). The differences are explained below:

	<i>18 month period 2020 £000</i>	<i>12 month period 2019 £000</i>
(Loss)/Profit on ordinary activities before tax	<u>(650)</u>	<u>494</u>
(Loss)/Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 – 19%)	(124)	94
<i>Effects of:</i>		
Expenses not deductible for tax purposes and non-taxable income	20	28
Adjustments in respect of previous years	1	(79)
Tax credit for the year (note 7(a))	<u>(103)</u>	<u>43</u>



## Midas Construction Limited

at 31 October 2020

### 7. Tax (continued)

(c) Deferred tax

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

	<i>18 month period 2020 £000</i>	<i>12 month period 2019 £000</i>
Included in debtors (note 10)	<u>22</u>	<u>23</u>
	<i>2020 £000</i>	<i>2019 £000</i>
Depreciation in excess of capital allowances	3	1
Short-term timing differences	<u>19</u>	<u>22</u>
	<u>22</u>	<u>23</u>

The movements in deferred tax during the current year are as follows:

	<i>£000</i>
At 1 May 2019	23
Deferred tax in the profit and loss account (note 7(a))	<u>(1)</u>
At 31 October 2020 (note 10)	<u>22</u>

### 8. Dividends

	<i>18 month period 2020 £000</i>	<i>12 month period 2019 £000</i>
Proposed for approval by shareholders:		
Final dividend for 2020 – £nil (2019 – £nil)	<u>–</u>	<u>–</u>

The dividends payable on LTIP shares of £nil (2019 - £nil) are included within interest payable.

## Midas Construction Limited

at 31 October 2020

### 9. Tangible fixed assets

	<i>Improvements to leasehold buildings</i> £000	<i>Fixtures, fittings and office equipment</i> £000	<i>Plant and machinery</i> £000	<i>Total</i> £000
Cost or valuation:				
At 1 May 2019	46	87	–	133
Additions	–	8	–	8
Disposals	–	–	–	–
At 31 October 2020	<u>46</u>	<u>95</u>	<u>–</u>	<u>141</u>
Depreciation:				
At 1 May 2019	33	74	–	107
Charge for the year	13	9	–	22
Disposals	–	–	–	–
At 31 October 2020	<u>46</u>	<u>83</u>	<u>–</u>	<u>129</u>
Net book value:				
At 31 October 2020	<u>–</u>	<u>12</u>	<u>–</u>	<u>12</u>
At 1 May 2019	<u>13</u>	<u>13</u>	<u>–</u>	<u>26</u>

### 10. Debtors

	<i>18 month period 2020</i> £000	<i>12 month period 2019</i> £000
Trade debtors	24,271	13,964
Amount due from fellow subsidiary undertakings	1	–
Other debtors	–	77
Corporation tax	105	46
Deferred tax (note 7(c))	22	23
Prepayments and accrued income	144	170
Amounts recoverable on contracts	<u>53,676</u>	<u>32,535</u>
	<u>78,219</u>	<u>46,815</u>

## Midas Construction Limited

at 31 October 2020

### 11. Creditors: amounts falling due within one year

	<i>18 month period 2020 £000</i>	<i>12 month period 2019 £000</i>
Trade creditors	15,900	11,211
Other taxes and social security costs	4,936	661
Amount due to parent undertaking	2,782	–
Amount due to fellow subsidiary undertaking	1,590	374
Accruals	65,405	47,479
Other creditors	1,014	1,092
	<u>91,627</u>	<u>60,817</u>

### 12. Creditors: amounts falling due after more than one year

	<i>18 month period 2020 £000</i>	<i>12 month period 2019 £000</i>
Dividend on LTIP shares	<u>–</u>	<u>–</u>

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 company until the dividend has been paid.

### 13. Issued share capital

<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>18 month period 2020 £000</i>	<i>No.</i>	<i>12 month period 2019 £000</i>
Ordinary shares of £1 each	250,000	250	250,000	250
LTIP shares of 1p each (classified as a liability under FRS 102)	0	<u>–</u>	25,000	<u>–</u>
		<u>250</u>		<u>250</u>

## Midas Construction Limited

at 31 October 2020

### 13. Issued share capital (continued)

#### *Class rights*

In the event that the employment of an LTIP shareholder ceases for any reason then the company is required to redeem the entire holding of the LTIP shares for an aggregate price of 1p.

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

The respective rights and privileges of the shares are as follows:

#### *As to voting*

The LTIP shares do not carry any right to receive notice of, attend or vote at any general meeting of the company nor to vote on or participate in any written resolution of the company.

#### *As to dividends*

The company may declare and/or pay dividends separately to the holders of the LTIP shares as a class and/or the holders of the ordinary shares as a class.

The holders of the LTIP shares are entitled to participate in dividends declared and payable in respect of the LTIP shares as a class pro rata according to the number of LTIP shares held by them at the relevant record date. Dividends are payable to LTIP shareholders on the last day of the 24th month after the date on which they are declared on condition that the LTIP shareholder remains in the employment of the group at the date of payment.

With the exception of the above the holders of the LTIP shares have no right to participate in the dividends of the company.

#### *As to capital*

On a return of assets on liquidation, capital reduction or otherwise, the assets of the company remaining after paying all its liabilities shall be applied in the following order:

First, in paying to the holders of the ordinary shares the sum of £1 per share and in paying to the holders of the LTIP shares the sum of 1p per share (or pro rata according to their respective holdings in the event of any shortfall);

Second, in paying to the holders of the LTIP shares a sum equal to any relevant uplift in Net Asset Value over and above the Net Asset Value at the date of issue of the LTIP shares pro rata according to the number of shares held by each LTIP shareholder; and

Third, in paying to the holders of the ordinary shares any balance of such surplus pro rata according to the nominal value of ordinary shares held by each holder.

The relevant uplift in the Net Asset Value of the company shall mean the amount (if any) by which the net asset value of the company as at the date immediately prior to the return of assets exceeds that at the date of issue of the relevant shares, as determined by the company's auditors (acting as experts and not as arbitrators) as being shown in the last available audited balance sheet of the company or (in the absence of any audited balance sheet) in its last available management financial statements and the determination made by the company for this purpose shall be final and binding on all its shareholders.

### 14. Capital commitments

At 31 October 2020, the company had committed to spend £nil (2019 – £nil) on fixed assets.

## Midas Construction Limited

at 31 October 2020

### 15. Pensions

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

#### **Defined contribution scheme**

Under the Midas Group Personal Pension Plan, a defined contribution scheme, assets are held separately from those of the company in an independently administered trust. The contributions outstanding at the period-end included in creditors (note 12) are £113,000 (2019 – £128,000). The pension cost for the period was £2,051,000 (2019 – £1,351,000).

#### **Midas Group Pension and Life Assurance Scheme**

The Midas Group Pension and Life Assurance Scheme was closed with effect from 30 June 2004. 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 for the Midas group.

The scheme provides retirement and associated benefits based on a defined level of contributions, subject to a guaranteed minimum level of benefits. The parent undertaking of Midas Construction Limited, Midas Group Limited, has adopted FRS 102 effective from 1 May 2014 and is legally responsible for the defined benefit plan. Midas Construction Limited recognises a cost equal to its contribution payable for the period in its financial statements in accordance with the provisions of section 28 FRS 102.

Pension costs for the company charged in the year represent contributions payable in the year and amounted to £nil (2019 – £nil). At 31 October 2020, there was £nil (2019 – £nil) of outstanding contributions included in creditors.

The valuation of the Midas Group Pension and Life Assurance Scheme at 31 October 2020 under the requirements of FRS 102 showed a deficit of £4,809,000 before deferred tax of £816,000 (2019 – deficit of £3,768,000 before deferred tax of £639,000) with assets of £10,655,000 (2019 – £9,575,000) and liabilities of £15,464,000 (2019 – £13,343,000).

The full disclosures required under FRS 102 relating to the Midas Group Pension and Life Assurance Scheme are included in the financial statements of Midas Group Limited, the parent undertaking of Midas Construction Limited.

The last valuation of the scheme for funding purposes was carried out as at 5 April 2018 by a qualified independent actuary using the projected unit method. The assumptions which had the most significant effect on the results of the valuation were the low returns on long-term gilts which would extend liabilities beyond those previously estimated.

### 16. Other financial commitments

At 31 October 2020 the company had the following future minimum commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	<i>18 month</i>	<i>12 month</i>
	<i>period</i>	<i>period</i>
	<i>2020</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>
Operating leases payment due:		
Within one year	138	88
In two to five years	638	190
Over five years	124	–
	<u>900</u>	<u>278</u>

## **Midas Construction Limited**

at 31 October 2020

### **17. Contingent liabilities**

The company enters into performance bonds in the normal course of business. The directors expect no liability to arise in respect of these transactions.

### **18. Related party transactions**

The company has taken advantage of the exemption in section 33, FRS 102 for wholly-owned subsidiary undertakings from disclosing transactions with related parties that are wholly owned by the Midas group.

### **19. Ultimate parent undertaking and controlling party**

At 31 October 2020 the company's immediate and ultimate parent undertaking was Midas Group Limited. It has included the company in its group financial statements, copies of which are available from its registered office: Midas House, Pynes Hill, and Exeter, EX2 5WS

# **Midas Construction Limited**

at 31 October 2020

## **Management information**

for the year ended 31 October 2020

The following page does not form part of the statutory financial statements which are the subject of the independent auditors' report on pages 12 to 14.

## Detailed profit and loss account

for the year ended 31 October 2020

	<i>18 month period 2020</i>	<i>12 month period 2019</i>
	£	£
<b>Work done (adjusted for work in progress)</b>	260,788,910	190,120,309
<b>Cost of work done</b>		
Materials	9,655,853	12,692,963
Subcontract	188,139,929	135,904,435
Plant hire	2,774,340	3,425,723
Haulage	88,234	38,762
Wages and salaries	24,791,503	15,043,656
Site services	4,331,481	2,242,780
Motor running expenses	1,395,811	884,601
Architects, engineers and sundry fees	15,520,090	9,791,206
Insurance	2,233,098	1,472,858
Travel and accommodation	258,946	215,951
Legal fees re contracts	86,984	3,461
Bank charges on contracts finance	284,244	119,982
	<u>249,560,513</u>	<u>181,836,378</u>
<b>Administration expenses</b>		
Office salaries and wages	5,417,034	3,488,737
Office expenses	1,099,599	534,034
Printing, postage, stationery and advertising	360,897	402,454
Telephone	1,512,173	887,013
Bank charges	7,748	3,025
Audit and Accountancy Fees	1,275	-
Fees	45,160	49,017
Depreciation	22,488	26,473
Bonus accrual/profit share	0	160,726
Profit/loss on sale of stock	-	-
Management charges	3,423,064	2,254,549
	<u>11,889,438</u>	<u>7,806,028</u>
<b>(Loss)/Profit before interest and taxation</b>	(661,041)	477,903
<b>Interest receivable</b>	10,877	16,202
<b>Interest payable</b>	-	-
<b>(Loss)/Profit before taxation</b>	<u>(650,164)</u>	<u>494,105</u>