

Registered number: 09826528

CONNECT ACCESS GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2019



CONNECT ACCESS GROUP LIMITED

COMPANY INFORMATION

DIRECTOR	Mr O J Cave
REGISTERED NUMBER	09826528
REGISTERED OFFICE	Hadham Park Bishop's Stortford Hertfordshire CM23 1JH
INDEPENDENT AUDITORS	Price Bailey LLP Chartered Accountants & Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

CONNECT ACCESS GROUP LIMITED

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CONNECT ACCESS GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2019

BUSINESS REVIEW

Connect Scaffolding Group provides high quality scaffolds, access and hoist solutions across the South East.

Since the formation of the Group, sales levels have increased by 9% to £16,593,071 (2018 - £15,218,157).

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

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

Our activity in research and development of new systems of work and equipment carries some risk and uncertainty.

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

FINANCIAL KEY PERFORMANCE INDICATORS

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

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

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



Mr O J Cave
Director

Date: 07/05/19

CONNECT ACCESS GROUP LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 JANUARY 2019

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,477,461 (2018 - £534,019).

DIRECTOR

The Director who served during the year was:

Mr O J Cave

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Group since the period end.

FUTURE DEVELOPMENTS

The Director anticipates no significant changes in the Group's activities in the foreseeable future.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

AUDITORS

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

CONNECT ACCESS GROUP LIMITED

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

DIRECTOR'S RESPONSIBILITIES STATEMENT

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

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

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

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

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

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



Mr O J Cave
Director

Date: 07/05/19

CONNECT ACCESS GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CONNECT ACCESS GROUP LIMITED

OPINION

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

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

CONNECT ACCESS GROUP LIMITED

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF DIRECTORS

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

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

CONNECT ACCESS GROUP LIMITED

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

Richard Vass (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

Date: 9 May 2019

CONNECT ACCESS GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JANUARY 2019

	Note	2019 £	2018 £
Turnover	4	16,593,071	15,218,157
Cost of sales		(13,084,171)	(12,811,492)
GROSS PROFIT		3,508,900	2,406,665
Administrative expenses		(1,928,365)	(2,048,258)
Other operating income	5	195,011	208,175
OPERATING PROFIT	6	1,775,546	566,582
Interest receivable and similar income	10	2,757	1,899
Interest payable and expenses	11	-	(887)
PROFIT BEFORE TAX		1,778,303	567,594
Tax on profit	12	(300,842)	(33,575)
PROFIT FOR THE FINANCIAL YEAR		1,477,461	534,019
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent company		1,477,461	534,019

There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 13 to 28 form part of these financial statements.

CONNECT ACCESS GROUP LIMITED
REGISTERED NUMBER: 09826528

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Intangible assets	14	3,723,365	4,231,097
Tangible assets	15	8,678,806	8,263,476
		<u>12,402,171</u>	<u>12,494,573</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	17	3,477,462	3,869,845
Cash at bank and in hand	18	965,565	577,544
		<u>4,443,027</u>	<u>4,447,389</u>
Creditors: amounts falling due within one year	19	(1,906,290)	(2,812,786)
NET CURRENT ASSETS		<u>2,536,737</u>	<u>1,634,603</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,938,908</u>	<u>14,129,176</u>
Creditors: amounts falling due after more than one year	20	-	(668,784)
PROVISIONS FOR LIABILITIES			
Deferred taxation	23	(345,987)	(305,792)
Other provisions		-	(39,140)
		<u>(345,987)</u>	<u>(344,932)</u>
NET ASSETS		<u>14,592,921</u>	<u>13,115,460</u>
CAPITAL AND RESERVES			
Called up share capital	25	12,125,000	12,125,000
Capital redemption reserve	26	125,000	125,000
Profit and loss account	26	2,342,921	865,460
		<u>14,592,921</u>	<u>13,115,460</u>

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



Mr O J Cave
Director

Date: 07/05/19

The notes on pages 13 to 28 form part of these financial statements.

CONNECT ACCESS GROUP LIMITED
REGISTERED NUMBER: 09826528

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Investments	16	12,250,002	12,250,002
CURRENT ASSETS			
Debtors: amounts falling due within one year	17	10,807	10,243
Cash at bank and in hand	18	8,865	7,964
		<u>19,672</u>	<u>18,207</u>
Creditors: amounts falling due within one year	19	(5,345)	(8,542)
NET CURRENT ASSETS		<u>14,327</u>	<u>9,665</u>
NET ASSETS		<u>12,264,329</u>	<u>12,259,667</u>
CAPITAL AND RESERVES			
Called up share capital	25	12,125,000	12,125,000
Capital redemption reserve	26	125,000	125,000
Profit and loss account	26	14,329	9,667
		<u>12,264,329</u>	<u>12,259,667</u>

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


Mr O J Cave
 Director

Date: 07/05/19

The notes on pages 13 to 28 form part of these financial statements.

CONNECT ACCESS GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2019**

	Called up share capital	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 February 2018	12,125,000	125,000	865,460	13,115,460	13,115,460
COMPREHENSIVE INCOME FOR THE YEAR					
Profit for the year	-	-	1,477,461	1,477,461	1,477,461
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>-</u>	<u>-</u>	<u>1,477,461</u>	<u>1,477,461</u>	<u>1,477,461</u>
TOTAL TRANSACTIONS WITH OWNERS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
AT 31 JANUARY 2019	<u>12,125,000</u>	<u>125,000</u>	<u>2,342,921</u>	<u>14,592,921</u>	<u>14,592,921</u>

The notes on pages 13 to 28 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2018**

	Called up share capital	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 February 2017	12,250,000	-	431,441	12,681,441	12,681,441
COMPREHENSIVE INCOME FOR THE YEAR					
Profit for the year	-	-	534,019	534,019	534,019
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>-</u>	<u>-</u>	<u>534,019</u>	<u>534,019</u>	<u>534,019</u>
Purchase of own shares	-	125,000	(100,000)	25,000	25,000
Shares cancelled during the year	(125,000)	-	-	(125,000)	(125,000)
TOTAL TRANSACTIONS WITH OWNERS	<u>(125,000)</u>	<u>125,000</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>
AT 31 JANUARY 2018	<u>12,125,000</u>	<u>125,000</u>	<u>865,460</u>	<u>13,115,460</u>	<u>13,115,460</u>

The notes on pages 13 to 28 form part of these financial statements.

CONNECT ACCESS GROUP LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2019**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 February 2018	12,125,000	125,000	9,667	12,259,667
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	4,662	4,662
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	4,662	4,662
TOTAL TRANSACTIONS WITH OWNERS	-	-	-	-
AT 31 JANUARY 2019	12,125,000	125,000	14,329	12,264,329

The notes on pages 13 to 28 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2018**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 February 2017	12,250,000	-	(4,000)	12,246,000
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	113,667	113,667
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	113,667	113,667
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS				
Purchase of own shares	-	125,000	(100,000)	25,000
Shares cancelled during the year	(125,000)	-	-	(125,000)
TOTAL TRANSACTIONS WITH OWNERS	(125,000)	125,000	(100,000)	(100,000)
AT 31 JANUARY 2018	12,125,000	125,000	9,667	12,259,667

The notes on pages 13 to 28 form part of these financial statements.

CONNECT ACCESS GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2019**

	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	1,477,461	534,019
ADJUSTMENTS FOR:		
Amortisation of intangible assets	507,732	507,732
Depreciation of tangible assets	1,171,162	932,500
Loss on disposal of tangible assets	10,226	(771)
Interest paid	-	887
Interest received	(2,757)	(1,899)
Taxation charge	300,842	33,575
Decrease/(increase) in debtors	324,730	(851,401)
(Decrease)/increase in creditors	(768,806)	792,908
(Decrease)/increase in provisions	(39,140)	39,140
Corporation tax received/(paid)	531	(55,173)
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>2,981,981</u>	<u>1,931,517</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of intangible assets	-	1,067
Purchase of tangible fixed assets	(1,616,784)	(3,627,322)
Sale of tangible fixed assets	20,067	-
Interest received	2,757	1,899
NET CASH FROM INVESTING ACTIVITIES	<u>(1,593,960)</u>	<u>(3,624,356)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of ordinary shares	-	(100,000)
New secured loans	-	1,000,000
Repayment of loans	(1,000,000)	-
Interest paid	-	(887)
NET CASH USED IN FINANCING ACTIVITIES	<u>(1,000,000)</u>	<u>899,113</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	388,021	(793,726)
Cash and cash equivalents at beginning of year	577,544	1,371,270
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>965,565</u>	<u>577,544</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	<u>965,565</u>	<u>577,544</u>

The notes on pages 13 to 28 form part of these financial statements.

CONNECT ACCESS GROUP LIMITED

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

1. GENERAL INFORMATION

Connect Access Group Limited is a company limited by shares, incorporated in England and Wales. Its registered office is Hadham Road, Bishop's Stortford, Hertfordshire, CM23 1JH.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

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

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 TURNOVER

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

Rendering of services

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

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

CONNECT ACCESS GROUP LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 INTANGIBLE ASSETS

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life of 10 years.

Negative goodwill

Negative Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Negative Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Negative Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over 10 years.

2.5 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Short-term leasehold property	-	10% straight line
Plant and machinery	-	25% reducing balance or 10% straight line
Motor vehicles	-	25% reducing balance
Office equipment	-	25% straight line
Computer equipment	-	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.6 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 DEBTORS

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

CONNECT ACCESS GROUP LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.8 CASH AND CASH EQUIVALENTS

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

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

2.9 FINANCIAL INSTRUMENTS

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

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

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

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

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

2.10 CREDITORS

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

2.11 FINANCE COSTS

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

CONNECT ACCESS GROUP LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.12 OPERATING LEASES: THE GROUP AS LESSEE

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 February 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.13 PENSIONS

Defined Contribution Pension Plan

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

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

2.14 INTEREST INCOME

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

2.15 BORROWING COSTS

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.16 PROVISIONS FOR LIABILITIES

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

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

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

CONNECT ACCESS GROUP LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.17 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 16 for the carrying amount of the property, plant and equipment, and note 2.5 for the useful economic lives for each class of asset.

CONNECT ACCESS GROUP LIMITED

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

4. TURNOVER

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

All turnover arose within the United Kingdom.

5. OTHER OPERATING INCOME

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

6. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	932,500	933,596
Amortisation of intangible assets, including goodwill	507,732	507,732
Other operating lease rentals	493	427
Defined contribution pension cost	105,060	58,402

7. AUDITOR'S REMUNERATION

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
FEES PAYABLE TO THE AUDITOR AND ITS ASSOCIATES IN RESPECT OF:				
Audit of the financial statements	16,450	11,700	1,550	1,550
All other services	9,650	10,740	2,600	2,990
	26,100	22,440	4,150	4,540

CONNECT ACCESS GROUP LIMITED

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

8. EMPLOYEES

Staff costs were as follows:

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

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

	2019 No.	2018 No.
Administration	17	21
Operations management	25	21
Operatives	163	156
	<u>205</u>	<u>198</u>

9. DIRECTOR'S REMUNERATION

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

10. INTEREST RECEIVABLE

	2019 £	2018 £
Other interest receivable	<u>2,757</u>	<u>1,899</u>

CONNECT ACCESS GROUP LIMITED

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

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Bank interest payable	-	874
Other interest payable	-	13
	<u>-</u>	<u>887</u>
	<u>-</u>	<u>887</u>

12. TAXATION

	2019 £	2018 £
CORPORATION TAX		
Current tax on profits for the year	381,453	132,618
Adjustments in respect of previous periods	(120,806)	(127,917)
TOTAL CURRENT TAX	<u>260,647</u>	<u>4,701</u>
DEFERRED TAX		
Origination and reversal of timing differences	40,195	28,874
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>300,842</u>	<u>33,575</u>

CONNECT ACCESS GROUP LIMITED

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

12. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

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

	2019 £	2018 £
Profit on ordinary activities before tax	1,778,303	567,594
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19.16%)	337,878	108,751
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	96,469	97,281
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,513	6,254
Capital allowances for year in excess of depreciation	-	(9,257)
Utilisation of tax losses	(13,191)	-
Adjustments to tax charge in respect of prior periods	(120,806)	(127,917)
Changes to tax rate leading to an increase (decrease) in the tax charge	(5,021)	(41,537)
TOTAL TAX CHARGE FOR THE YEAR	300,842	33,575

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charge.

13. PARENT COMPANY PROFIT FOR THE YEAR

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £4,662 (2018 - £113,667).

CONNECT ACCESS GROUP LIMITED

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

14. INTANGIBLE ASSETS

Group

	Goodwill £	Negative goodwill £	Total £
Cost			
At 1 February 2018	5,094,405	(17,089)	5,077,316
At 31 January 2019	5,094,405	(17,089)	5,077,316
Amortisation			
At 1 February 2018	848,908	(2,689)	846,219
Charge for the year	509,441	(1,709)	507,732
At 31 January 2019	1,358,349	(4,398)	1,353,951
Net book value			
At 31 January 2019	3,736,056	(12,691)	3,723,365
At 31 January 2018	4,245,497	(14,400)	4,231,097

CONNECT ACCESS GROUP LIMITED

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

15. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or Valuation						
At 1 February 2018	1,622,966	78,169	6,849,253	1,426,593	172,871	10,149,852
Additions	10,587	-	1,220,781	366,968	18,448	1,616,784
Disposals	-	-	-	(88,760)	-	(88,760)
At 31 January 2019	<u>1,633,553</u>	<u>78,169</u>	<u>8,070,034</u>	<u>1,704,801</u>	<u>191,319</u>	<u>11,677,876</u>
Depreciation						
At 1 February 2018	32,007	48,292	811,354	872,883	121,840	1,886,376
Charge for the year on owned assets	21,100	5,457	928,767	192,779	23,058	1,171,161
Disposals	-	-	-	(58,467)	-	(58,467)
At 31 January 2019	<u>53,107</u>	<u>53,749</u>	<u>1,740,121</u>	<u>1,007,195</u>	<u>144,898</u>	<u>2,999,070</u>
Net book value						
At 31 January 2019	<u>1,580,446</u>	<u>24,420</u>	<u>6,329,913</u>	<u>697,606</u>	<u>46,421</u>	<u>8,678,806</u>
At 31 January 2018	<u>1,590,959</u>	<u>29,877</u>	<u>6,037,899</u>	<u>553,710</u>	<u>51,031</u>	<u>8,263,476</u>

CONNECT ACCESS GROUP LIMITED

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

16. FIXED ASSET INVESTMENTS

Company

	Investments in subsidiary companies £
Cost or Valuation	
At 1 February 2018	12,250,002
At 31 January 2019	<u>12,250,002</u>

Details of the principal subsidiaries can be found under note 30.

17. DEBTORS

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	3,091,282	3,034,817	10,807	243
Amounts owed by group undertakings	-	-	-	10,000
Other debtors	63,238	362,328	-	-
Prepayments and accrued income	322,942	472,700	-	-
	<u>3,477,462</u>	<u>3,869,845</u>	<u>10,807</u>	<u>10,243</u>

18. CASH AND CASH EQUIVALENTS

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	<u>965,565</u>	<u>577,544</u>	<u>8,865</u>	<u>7,964</u>

CONNECT ACCESS GROUP LIMITED

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

19. CREDITORS: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans	-	331,216	-	-
Trade creditors	225,817	450,668	-	-
Amounts owed to group undertakings	-	-	-	4,390
Corporation tax	205,335	11,810	1,093	-
Other taxation and social security	706,560	726,307	-	-
Other creditors	461,598	905,641	-	-
Accruals and deferred income	306,980	387,144	4,252	4,152
	<u>1,906,290</u>	<u>2,812,786</u>	<u>5,345</u>	<u>8,542</u>

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

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans	-	668,784	-	-

21. LOANS

The bank loan was secured over the property held within the group by a cross guarantee debenture with Dateland Properties Limited.

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

CONNECT ACCESS GROUP LIMITED

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

22. FINANCIAL INSTRUMENTS

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
FINANCIAL ASSETS				
Financial assets measured at fair value through profit or loss	965,565	577,544	-	7,964
Financial liabilities measured at amortised cost	3,196,301	3,714,522	10,807	243
	<u>4,161,866</u>	<u>4,292,066</u>	<u>10,807</u>	<u>8,207</u>
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost	(994,395)	(2,763,453)	(4,252)	(8,542)

Financial assets measured at fair value through profit or loss comprise of cash at bank.

Financial assets that are debt instruments measured at amortised cost comprise of trade and other debtors.

Financial liabilities measured at amortised cost comprise of bank loans, trade and other creditors and accruals.

23. DEFERRED TAXATION

Group

	2019 £	2018 £
At beginning of year	305,792	276,918
Charged to profit or loss	40,195	28,874
AT END OF YEAR	<u>345,987</u>	<u>305,792</u>

The provision for deferred taxation is made up as follows:

	Group 2019 £	Group 2018 £
Accelerated capital allowances	347,687	307,492
Other timing differences	(1,700)	(1,700)
	<u>345,987</u>	<u>305,792</u>

CONNECT ACCESS GROUP LIMITED

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

24. PROVISIONS

Group

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

Other provision provided in the prior year in relation to remedy works for site under the terms of lease agreements.

25. SHARE CAPITAL

	2019 £	2018 £
Allotted, called up and fully paid		
12,000,000 (2018 - 12,000,000) Ordinary A shares of £1 each	12,000,000	12,000,000
125,000 (2018 - 125,000) Ordinary B shares of £1 each	125,000	125,000
	<u>12,125,000</u>	<u>12,125,000</u>

26. RESERVES

Capital redemption reserve

This reserve represents share repurchased during the prior period.

Profit and loss account

This reserve represents accumulated comprehensive income of the period less any dividends paid.

27. PENSION COMMITMENTS

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £95,060 (2018 - £48,402). Contributions totalling £10,000 (2018 - £NIL) were payable to the fund at the balance sheet date.

28. COMMITMENTS UNDER OPERATING LEASES

The Group and the Company had no commitments under the non-cancellable operating leases as at the reporting date.

CONNECT ACCESS GROUP LIMITED

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

29. TRANSACTIONS WITH DIRECTORS

At the period end the group owed £459,059 (2018 - £848,472) to its director, Mr O J Cave. The loan was interest free and repayable on demand.

30. SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Connect Scaffolding Limited	Scaffolding specialists	Ordinary	100%
Dateland Properties Limited	Property investment	Ordinary	100%
Connect Access Limited	Scaffolding rental	Ordinary	100%