
MATTISON SCAFFOLDING HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2018



MATTISON SCAFFOLDING HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Scott Mattison Wayne Mattison
Registered number	11268448
Registered office	Leytonstone House 3 Hanbury Drive Leytonstone London E11 1GA
Independent auditor	Barnes Roffe LLP Chartered Accountants Leytonstone House Leytonstone London E11 1GA

MATTISON SCAFFOLDING HOLDINGS LIMITED

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MATTISON SCAFFOLDING HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2018

Business review

Following uncertainties surrounding the impact of Brexit in the previous financial period, the directors are pleased to report that the performance of the business returned to expected levels during the beginning of the year and experienced an upturn in projects as the year progressed.

The business has grown at a healthy pace, with turnover with the previous comparable 12 month period increasing by 27%. Gross profit margin has increased considerably from 44.8% to 47.5% due to the group overcoming difficulties encountered in the previous period and having won more profitable contracts during the year.

The directors are also pleased to report that EBITDA has increased from £3.82m to £5.17m. The group was able to improve its gross profit position following an upturn in demand for construction and scaffolding needs as well as benefiting from cost cutting exercises and a general reduction in labour costs. This has enabled the group to target and obtain contracts which are more suited to the group's operations, hence improve efficiency and profits.

The group is now well positioned to grow even further in 2019 and beyond. In line with the positive trading results, the group's net asset position strengthened to £4.31m. The group has significant financial leverage capacity should it be required. The directors consider that this provides the group with adequate financial resources to continue its growth.

Risk Management

The group adopts a measured approach in identifying and managing its financial and business risks.

From a financial perspective, the group prudently manages its cash resources to ensure it can deal with fluctuations in working capital requirements.

Risk from customer debt is effectively mitigated by robust internal credit assessment and control procedures.

The group has no significant concentration of supply risk, with exposure adequately spread over multiple suppliers. As part of the group's ongoing training and quality control programme, there is always a steady group of suitably skilled personnel to perform tasks.

Operating risks are managed via a combination of strong internal controls and external accreditations as detailed on the group's corporate website. Health and safety is of paramount importance to the company with standards amongst the highest in the industry.

Financial assets and business risks are suitably covered by relevant insurance policies, providing assurance to both the group and its customers.

Employment policy

The group does not discriminate against anyone on any grounds. The sole criterion for selection or promotion is the suitability of the person for the job. It is the policy of the group to provide employment to people irrespective of sex, age, religion or disability whenever the demands of the group and the abilities of the individual will allow. Appropriate levels of training and development are available for all levels and categories of staff.

MATTISON SCAFFOLDING HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2018

Outlook

The group continues to build on its strong relationships with customers, and the future pipeline of work is good. This, together with ongoing investment in plant during 2018 and into 2019, will ensure that the group is well positioned to capitalise on opportunities as they arise.

The directors and senior management will continue to prioritise, uphold and strengthen quality standards, seeking to deliver projects to an agreed timetable and programme, safely, competently and efficiently.

The directors would like to take this opportunity to thank all staff, customers and business partners for their continued support throughout the period..

This report was approved by the board on

25/09/19

and signed on its behalf.



Scott Mattison
Director

MATTISON SCAFFOLDING HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2018

The directors present their report and the financial statements for the year ended 31 October 2018.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group'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 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £3,661,014 (2017 - £2,286,642).

The directors do not recommend payment of a final dividend.

Directors

The directors who served during the year were:

Scott Mattison (appointed 21 March 2018)
Wayne Mattison (appointed 21 March 2018)

Disclosure of information to auditor

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

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

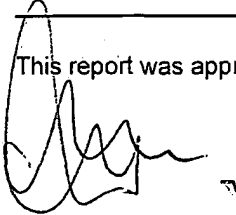
MATTISON SCAFFOLDING HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2018**

This report was approved by the board on

25/09/19

and signed on its behalf.



Scott Mattison
Director

MATTISON SCAFFOLDING HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MATTISON SCAFFOLDING HOLDINGS LIMITED

Opinion

We have audited the financial statements of Mattison Scaffolding Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 October 2018, which comprise the Group Statement of income and retained earnings, the Group and Company Balance sheets, the Group Statement of cash flows 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 October 2018 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

MATTISON SCAFFOLDING HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MATTISON SCAFFOLDING HOLDINGS 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

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

Responsibilities of directors

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

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

MATTISON SCAFFOLDING HOLDINGS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MATTISON SCAFFOLDING
HOLDINGS LIMITED (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

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



Shen Yap (Senior statutory auditor)
for and on behalf of
Barnes Roffe LLP
Chartered Accountants
Leytonstone House
Leytonstone
London
E11 1GA
Date: 26/09/19.

MATTISON SCAFFOLDING HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 OCTOBER 2018**

	Note	2018 £	2017 £
Turnover	4	14,457,981	11,407,883
Cost of sales		(7,585,250)	(6,302,193)
Gross profit		6,872,731	5,105,690
Administrative expenses		(2,285,083)	(2,144,982)
Operating profit	5	4,587,648	2,960,708
Interest payable and similar charges	8	(9,197)	6,887
Profit before tax		4,578,451	2,967,595
Tax on profit	9	(917,437)	(680,953)
Profit after tax		3,661,014	2,286,642
Retained earnings at the beginning of the year		4,149,119	1,862,477
Profit for the year attributable to the owners of the parent		3,661,014	2,286,642
Dividends declared and paid		(3,500,000)	-
Retained earnings at the end of the year		4,310,133	4,149,119


The notes on pages 12 to 25 form part of these financial statements.

MATTISON SCAFFOLDING HOLDINGS LIMITED
REGISTERED NUMBER: 11268448

CONSOLIDATED BALANCE SHEET
AS AT 31 OCTOBER 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	12		1,996,951		2,197,798
Current assets					
Debtors: amounts falling due within one year	14	4,703,826		4,016,589	
Cash at bank and in hand	15	284,127		22,547	
		<u>4,987,953</u>		<u>4,039,136</u>	
Creditors: amounts falling due within one year	16	(2,508,111)		(2,087,593)	
Net current assets			<u>2,479,842</u>		<u>1,951,543</u>
Total assets less current liabilities			<u>4,476,793</u>		<u>4,149,341</u>
Creditors: amounts falling due after more than one year	17		(166,438)		-
Provisions for liabilities					
Net assets			<u><u>4,310,355</u></u>		<u><u>4,149,341</u></u>
Capital and reserves					
Called up share capital	20		222		222
Profit and loss account	21		4,310,133		4,149,119
Equity attributable to owners of the parent Company			<u><u>4,310,355</u></u>		<u><u>4,149,341</u></u>

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

 25/09/19.

Scott Mattison
Director

The notes on pages 12 to 25 form part of these financial statements.

MATTISON SCAFFOLDING HOLDINGS LIMITED
REGISTERED NUMBER: 11268448

COMPANY BALANCE SHEET
AS AT 31 OCTOBER 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Investments	13		50,000		50,000
Current assets					
Debtors: amounts falling due within one year	14	3,500,222		222	
Creditors: amounts falling due within one year	16	(3,550,000)		(50,000)	
Net current liabilities			(49,778)		(49,778)
Total assets less current liabilities			<u>222</u>		<u>222</u>
Net assets			<u>222</u>		<u>222</u>
Capital and reserves					
Called up share capital	20		222		222
Profit for the year		3,500,000		-	
Dividends paid		(3,500,000)		-	
Profit and loss account carried forward			<u>-</u>		<u>-</u>
			<u>222</u>		<u>222</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25/09/19.

Scott Mattison
Director

The notes on pages 12 to 25 form part of these financial statements.

MATTISON SCAFFOLDING HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	3,661,014	2,286,642
Adjustments for:		
Depreciation of tangible assets	582,379	854,677
Interest paid	9,197	(6,887)
Taxation charge	917,437	680,953
(Increase) in debtors	(1,216,795)	(2,604,109)
Decrease in amounts owed by connected entities	529,558	-
Increase/(decrease) in creditors	356,043	(364,351)
Corporation tax paid	(686,524)	(587,986)
Net cash generated from operating activities	4,152,309	258,939
Cash flows from investing activities		
Purchase of tangible fixed assets	(381,532)	(331,709)
Net cash from investing activities	(381,532)	(331,709)
Cash flows from financing activities		
Dividends paid	(3,500,000)	-
Interest paid	(9,197)	6,887
Net cash used in financing activities	(3,509,197)	6,887
Net increase/(decrease) in cash and cash equivalents	261,580	(65,883)
Cash and cash equivalents at beginning of year	22,547	88,430
Cash and cash equivalents at the end of year	284,127	22,547
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	284,127	22,547
	284,127	22,547

The notes on pages 12 to 25 form part of these financial statements.

MATTISON SCAFFOLDING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

1. General information

Mattison Scaffolding Holdings Limited ("the Company") is a private company limited by shares, incorporated in England and Wales. Its registered office is Leytonstone House, 3 Hanbury Drive, Leytonstone, London, E11 1GA.

The principal activity of Mattison Scaffolding Holdings Limited during the period was that of a holding company.

The principal activity of Mattison Scaffolding Ltd during the period was that of the erection, hire and dismantling of scaffolding.

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 income and retained earnings 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.

Where consideration for a subsidiary is an exchange of shares and only limited resources leave the Group, merger accounting has been used as permitted under FRS 102 section 19 "business combinations and goodwill". Accordingly, the financial information for the current and prior periods has been presented as if Mattison Scaffolding Holdings Limited has always been the parent company of the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.3 Revenue

Revenue is measured by reference to the stage of completion of the contract activity.

The Group recognises revenue when the amount of revenue can be measured reliably, when it is probable that future economic benefits will flow to the Group and when specific criteria have been met as described below:

Long term contracts

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 period end, by recording turnover and related costs as contract activity progresses. Turnover is recognised relative to the stage of completion of the contract. 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 period in which they are first foreseen.

In order to apply the above policy, the contracts are reviewed at the end of the period to determine the estimated costs to completion and the future sales value of the contracts.

2.4 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of income and retained earnings on a straight line basis over the lease term.

2.5 Finance costs

Finance costs are charged to the Consolidated statement of income and retained earnings 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.

2.6 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 income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.7 Taxation

Tax is recognised in the Consolidated statement of income and retained earnings, 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 balance sheet 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 Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the 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 balance sheet date.

2.8 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 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 Statement of income and retained earnings over its useful economic life of five years.

2.9 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.

MATTISON SCAFFOLDING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, provided on the following annual bases:

Plant and machinery	- 10% - 33% straight line
Motor vehicles	- 20% straight line
Fixtures and fittings	- 10% 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 income and retained earnings.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Debtors

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

2.12 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.

2.13 Creditors

Short term creditors are measured at the transaction price.

2.14 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.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

MATTISON SCAFFOLDING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

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

Estimates and judgments 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.

a) Critical judgments in applying accounting policies

The Group does not consider there to be any critical judgments in applying accounting policies.

b) Critical accounting estimates and assumptions

i) Contracts

The Group applies a general policy of recognising profit on contracts only when the final outcome can be assessed with reasonable certainty. In doing so the directors have made key assumptions regarding the future costs to complete the contracts.

ii) Depreciation and estimated useful lives

The annual depreciation charge for tangible fixed assets is sensitive to changes in 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 the technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property, plant and equipment, and note 2.9 for useful economic lives for each class of asset.

4. Turnover

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

	2018 £	2017 £
Erection, hire and dismantling of scaffolding	<u>14,457,981</u>	<u>11,407,883</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	597,006	854,677
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	20,000	15,000
Other operating lease rentals	217,193	210,413
Defined contribution pension cost	<u>7,584</u>	<u>1,584</u>

MATTISON SCAFFOLDING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

6. Employees

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

	Group 2018 £	<i>Group 2017 £</i>
Wages and salaries	1,032,028	1,148,284
Social security costs	122,052	109,970
Cost of defined contribution scheme	7,584	1,584
	<u>1,161,664</u>	<u>1,259,838</u>

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

	2018 No.	<i>2017 No.</i>
Management and administration	16	19
Scaffolders	5	4
	<u>21</u>	<u>23</u>

7. Directors' remuneration

	2018 £	<i>2017 £</i>
Directors' emoluments	16,200	16,200

8. Interest payable and similar charges

	2018 £	<i>2017 £</i>
Finance leases and hire purchase contracts	1,532	-
Other interest payable	7,665	(6,887)
	<u>9,197</u>	<u>(6,887)</u>

MATTISON SCAFFOLDING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

9. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	<u>917,437</u>	<u>680,953</u>

Factors affecting tax charge for the year

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

	2018 £	2017 £
Profit on ordinary activities before tax	<u>4,578,451</u>	<u>2,967,595</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19 %)	869,906	563,843
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,631	2,058
Deferred tax not provided	45,443	100,541
Intangible assets expensed	457	-
Other differences leading to an increase in the tax charge	-	14,511
Total tax charge for the year	<u>917,437</u>	<u>680,953</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10. Dividends

	2018 £	2017 £
Equity dividends paid on Ordinary shares	<u>3,500,000</u>	<u>-</u>

MATTISON SCAFFOLDING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

11. Intangible assets

Group

	Goodwill £
Cost	
At 1 November 2017	4,000,000
At 31 October 2018	<u>4,000,000</u>
Amortisation	
At 1 November 2017	4,000,000
At 31 October 2018	<u>4,000,000</u>
Net book value	
At 31 October 2018	<u>-</u>
At 31 October 2017	<u>-</u>

MATTISON SCAFFOLDING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

12. Tangible fixed assets

Group

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 November 2017	4,140,011	470,268	7,062	4,617,341
Additions	158,820	222,712	-	381,532
Disposals	(492,360)	(10,000)	-	(502,360)
At 31 October 2018	<u>3,806,471</u>	<u>682,980</u>	<u>7,062</u>	<u>4,496,513</u>
Depreciation				
At 1 November 2017	1,995,487	420,349	3,707	2,419,543
Charge for the year on owned assets	534,675	22,734	706	558,115
Charge for the year on financed assets	-	24,264	-	24,264
Disposals	(492,360)	(10,000)	-	(502,360)
At 31 October 2018	<u>2,037,802</u>	<u>457,347</u>	<u>4,413</u>	<u>2,499,562</u>
Net book value				
At 31 October 2018	<u>1,768,669</u>	<u>225,633</u>	<u>2,649</u>	<u>1,996,951</u>
At 31 October 2017	<u>2,144,524</u>	<u>49,919</u>	<u>3,355</u>	<u>2,197,798</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Motor vehicles	<u>198,448</u>	<u>-</u>

MATTISON SCAFFOLDING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2017	50,000
At 31 October 2018	<u>50,000</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding
Mattison Scaffolding Limited	Ordinary	100%

The registered office of the subsidiary is Leytonstone House, 3 Hanbury Drive, Leytonstone, London, E11 1GA.

14. Debtors

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Trade debtors	1,949,147	2,221,029	-	-
Amounts owed by group undertakings	-	-	3,500,000	-
Amounts owed by connected entities	1,851,483	-	-	-
Other debtors	79,742	579,478	222	222
Prepayments and accrued income	130,101	122,538	-	-
Amounts recoverable on long term contracts	693,353	1,093,544	-	-
	<u>4,703,826</u>	<u>4,016,589</u>	<u>3,500,222</u>	<u>222</u>

MATTISON SCAFFOLDING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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15. Cash and cash equivalents

	Group 2018 £	<i>Group 2017 £</i>
Cash at bank and in hand	284,127	<i>22,547</i>

16. Creditors: Amounts falling due within one year

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Trade creditors	626,530	<i>754,930</i>	-	-
Amounts owed to connected entities	-	-	3,500,000	-
Corporation tax	911,839	<i>680,926</i>	-	-
Other taxation and social security	492,077	<i>432,792</i>	-	-
Obligations under finance lease and hire purchase contracts	36,672	-	-	-
Other creditors	391,469	<i>177,825</i>	50,000	<i>50,000</i>
Accruals and deferred income	49,524	<i>41,120</i>	-	-
	2,508,111	<i>2,087,593</i>	3,550,000	<i>50,000</i>

17. Creditors: Amounts falling due after more than one year

	2018 £	<i>2017 £</i>
Net obligations under finance leases and hire purchase contracts	166,438	-

Net obligations under hire purchase contracts repayable more than five years after the balance sheet date amount to £19,750 (2017 - £Nil). Payment terms are monthly bearing an interest rate of 1.67% per annum.

MATTISON SCAFFOLDING HOLDINGS LIMITED

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18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	36,672	-
Between 1-5 years	146,688	-
Over 5 years	19,750	-
	<u>203,110</u>	<u>-</u>

19. Financial instruments

	Group 2018 £	Group 2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	284,127	22,547
Financial assets that are debt instruments measured at amortised cost	7,323,192	2,800,507
	<u>7,607,319</u>	<u>2,823,054</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(674,969)	(802,627)

20. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
101 (2017 - 101) Ordinary A shares of £1.00 each	101	101
101 (2017 - 101) Ordinary B shares of £1.00 each	101	101
10 (2017 - 10) Ordinary C shares of £1.00 each	10	10
10 (2017 - 10) Ordinary D shares of £1.00 each	10	10
	<u>222</u>	<u>222</u>

Shares rank pari passu in all respects. There are no restrictions on the distribution of dividends and the repayment of capital.

MATTISON SCAFFOLDING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

21. Reserves

Profit and loss account

The profit and loss account represents accumulated profits and losses net of dividends and other adjustments.

22. Pension commitments

The Group operates a defined contributions pension scheme. The net 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 £7,584 (2017 - £1,584). There were no contributions payable to the fund at the balance sheet date (2017 - £Nil).

23. Commitments under operating leases

At 31 October 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	<i>Group 2017 £</i>
Not later than 1 year	86,771	72,271
Later than 1 year and not later than 5 years	117,035	101,820
	203,806	174,091

24. Directors' guarantees, credits and advances

During the year directors were advanced £3,624,681 (2017 - £1,488,868) and repaid £4,197,597 (2017 - £Nil). At the year end £Nil (2017 - £572,916) was due from the directors.

25. Related party transactions

Key management personnel

At the year end the Group owed the directors £50,000 (2017 - £572,916 due from the directors).

Other

During the year the company made purchases of £544,225 (2017 - £222,069) from a company in which a director has a controlling interest.

At the year end £1,456,800 was due from companies in which the directors have a significant influence (2017 - £221,854 was owed to the companies). Dividends of £3,500,000 were paid to these companies in the year.

During the year the company paid rent of £217,080 (2017 - £216,560) to a Limited Liability Partnership in which the company's directors and shareholders are members.

MATTISON SCAFFOLDING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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26. Controlling party

There is no ultimate controlling party.