

Registered number: 02039252

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	Mr L J Sullivan Mr D Leaver Mr T P Armitage Mr N L Cope Mr M T James Mrs J Franklin
Company secretary	A Halls
Registered number	02039252
Registered office	The COINS Building 11 St Laurence Way Slough Berkshire SL1 2EA
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Benham 5 Southampton Science Park Chilworth Southampton Hampshire SO16 7QJ
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

The chairman presents his statement for the period.

The company turnover has increased by 13% with the balance sheet strengthening by 4% over the previous year, prior to declaring a dividend of £1m to the holding company.

This strong performance reflects excellent growth in the UK and Australian marketplaces, driven by our sustained focus on innovation, research and development. This performance is even more impressive when set against the backdrop of the shift in the marketplace to subscription rather than upfront software licensing.

Our UK head office, as a centre for excellence, continually fosters an environment to support the growth of the business and we have increased our headcount with an average 11 full-time equivalent talented people.

Our investment into the development of our solutions goes from strength to strength with a continued focus on mobile and cloud applications, and cloud hosted infrastructure.

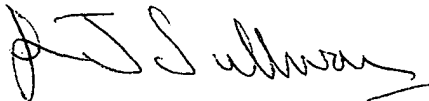
We sponsored the COINS Grand Challenge which was held in Manchester in conjunction with leading construction companies and academic institutions. This is a global competition to identify new and emerging technology in the built environment. We are already planning next year's event in the USA.

The Group continues to support a range of causes globally through the COINS Foundation and to provide office accommodation to Habitat for Humanity.

I welcome our new staff and my thanks go once again to all existing COINS staff in the UK for their hard work and to all our customers for their ongoing support in our business endeavors and growth.

Finally, we look forward to collaborating with our customers, both existing and new, to find new and innovative ways of adding value to their businesses and the communities in which they work.

Name Mr L J Sullivan
Chairman



Date 13 December 2019.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

Principal activities

The company is principally engaged in the development and installation of, and the provision of services for, computer software systems and solutions.

Business review

The company turnover has increased by 13% with the balance sheet strengthening by 4% over the previous year, prior to declaring a dividend of £1m to the holding company.

In line with the market approach, a higher proportion of the company's sales orders are on a subscription basis. This continues to have a short-term negative impact in cash flow over the more traditional ILF (Initial Licence Fee) approach.

Principal risks and uncertainties

The principal risks and uncertainties for the group are:

Brexit – whilst we do not see "Brexit" significantly directly impacting on our business, we are cautious because of the potential volatile effects on our predominately UK client base and the UK economy. We believe that in the UK, COINS will likely see benefit from increased government spend on infrastructure projects as the government attempts to buffer the UK economy.

Retention of clients - the company's record here is excellent. This is supported by delivery of high services levels and a sustained investment in innovation and product development.

Retention of key staff - the company's record here is excellent.

Business and customer confidence – this remains subdued as our clients await the impact of upcoming "Brexit" which has provided an uncertain business environment, but we are in a strong position to assist our clients to meet the challenges that arise.

Financial risk management objectives and policies

The company has various financial instruments available to it, including loans, cash, and other items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations as required.

The company has relatively low mortgages outstanding against a sizable owned property portfolio.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risk arising from the company's financial instruments are market risk, currency risk, liquidity risk, cash flow interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies remain unchanged from previous years.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Market risk

Market risk encompasses two types of risk, being currency risk and fair value interest rate risk. The company's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest risk rate and are set out in the subsection entitled "Interest rate risk" below.

Currency risk

The company is exposed to translation foreign exchange risk on the assets and liabilities of its overseas branch in Australia. The company also has debtor and creditor balance with other members of the group headed by CSB Holdings Limited, some of which are denominated in foreign currencies. Sales to customers in continental Europe are invoiced in Sterling. Sales to customers in Australia are invoiced in Australian dollars by the Australian branch.

Liquidity

The company's seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The maturity of borrowing is set out in note 21 to the financial statement.

Interest rate risk

The company finances its operations through a mixture of retained profits and bank borrowings. Interest rates on the company's bank loan is linked to the standard variable interest rate of Barclays Bank PLC.

The company is also exposed to fair value interest rate risk on its trade debtors and creditors, as these do not attract interest.

Credit risk

The company's principal assets are cash and trade debtors. The credit risk associated with cash balances is managed by the company monitoring the financial position of the counterparties involved.

In order to manage credit risk arising from trade debtors, the directors set limits for customers based on a combination of payment history and third-party credit references.

Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Financial key performance indicators

The company's key financial and other performance indicators during the year were as follows:

Turnover £24,644,765 (2018: £21,799,036)

Profit before Tax £499,409 (2018: £786,642)

The net shareholder funds were £11,747,841 (2018: £11,979,670)

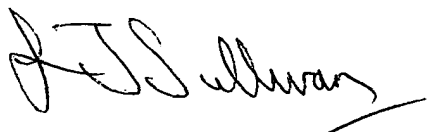
Other key performance indicators

The company's headcount increased from 192 to 203 excluding directors.

Future developments

The company continues to consolidate its position as a leading supplier of computer software system solutions to builders, contractors and the building industry and expects its level of profitability to continue to grow with revenue. The company is seeking complementary business opportunities to support its organic growth.

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



Mr L J Sullivan
Director

Date: 13 December 2019.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Principal activity

The company is principally engaged in the development and installation of, and the provision of services for, computer software systems and solutions. The results for the year include the results of the Company's Australian branch.

Results and dividends

The profit for the year, after taxation, amounted to £762,641 (2018: £923,990).

The company paid dividends of £1,000,000 during the year (2018: £500,000).

Directors

The directors who served during the year were:

Mr L J Sullivan
Mr D Leaver
Mr T P Armitage
Mr N L Cope
Mr M T James
Mrs J Franklin

Future developments

The company continues to consolidate its position as a leading supplier of computer software system solutions to builders, contractors and the building industry and expects its level of profitability to continue to grow with revenue. The company is seeking complementary business opportunities to support its organic growth.

Research and development

Research and development costs totalling £4,728,842 (2018: £3,575,152) were expensed in the year. This is an increase of 26.6%.

Donations

The company paid donations of £503,611 (2018: £1,431,185) during the year.

Qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in forces at the date of approving the Director's report.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Matters covered in the strategic report

The business review, principal risks and uncertainties and information on financial risk management objectives and policies are contained in the Strategic report.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

Mr L J Sullivan
Director

Date: 13 December 2019.



CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and 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 judgements 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 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSTRUCTION INDUSTRY SOLUTIONS
LIMITED**

Opinion

We have audited the financial statements of Construction Industry Solutions Limited (the 'Company') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its 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 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.

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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSTRUCTION INDUSTRY SOLUTIONS LIMITED (CONTINUED)

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.

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.

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 the Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 the Directors' Report.

Matters on which we are required to report by exception

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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSTRUCTION INDUSTRY SOLUTIONS LIMITED (CONTINUED)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 7, 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.

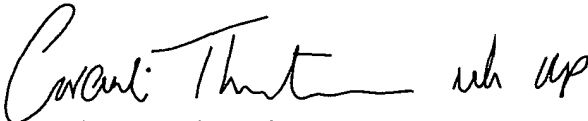
Auditor's responsibilities for the audit of the financial statements

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: 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.



Norman Armstrong BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Southampton

Date:

16/12/19

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Turnover	4	24,644,765	21,799,036
Cost of sales		(10,176,193)	(8,916,305)
Gross profit		14,468,572	12,882,731
Administrative expenses		(14,167,640)	(12,691,461)
Fair value movements		(121,256)	193,519
Operating profit	5	179,676	384,789
Income from fixed assets investments		775,342	770,739
Amounts written off investments		(461,428)	(378,112)
Interest receivable and similar income		61,813	73,277
Interest payable and expenses		(55,994)	(64,051)
Profit before tax		499,409	786,642
Tax on profit	10	263,232	137,348
Profit for the financial year		762,641	923,990
Other comprehensive income for the year			
Currency translation differences		5,530	104,787
Other comprehensive income for the year		5,530	104,787
Total comprehensive income for the year		768,171	1,028,777

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

The notes on pages 14 to 38 form part of these financial statements.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED
REGISTERED NUMBER:02039252

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	12	131,624	268,384
Tangible assets	13	2,139,826	2,274,893
Investments	14	1,680,345	1,522,888
Investment property	15	2,460,115	2,263,808
		6,411,910	6,329,973
Current assets			
Stocks	16	69,040	21,258
Debtors: amounts falling due within one year	17	16,666,469	16,773,076
Cash at bank and in hand	18	4,902,507	3,620,499
		21,638,016	20,414,833
Creditors: amounts falling due within one year	19	(15,300,069)	(13,543,807)
Net current assets		6,337,947	6,871,026
Total assets less current liabilities		12,749,857	13,200,999
Creditors: amounts falling due after more than one year	20	(703,182)	(922,495)
Provisions for liabilities			
Deferred tax	23	(298,834)	(298,834)
Net assets		11,747,841	11,979,670
Capital and reserves			
Called up share capital	24	1,020	1,020
Other reserves	25	69,687	69,687
Profit and loss account	25	11,677,134	11,908,963
		11,747,841	11,979,670

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 December 2019.

Mr L J Sullivan
 Director



The notes on pages 14 to 38 form part of these financial statements.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

	Called up share capital £	Share-based payment reserve £	Profit and loss account £	Total equity £
At 1 April 2018	1,020	69,687	11,908,963	11,979,670
Comprehensive income for the year				
Profit for the year	-	-	762,641	762,641
Currency translation differences	-	-	5,530	5,530
Other comprehensive income for the year	-	-	5,530	5,530
Total comprehensive income for the year	-	-	768,171	768,171
Dividends: Equity capital	-	-	(1,000,000)	(1,000,000)
Total transactions with owners	-	-	(1,000,000)	(1,000,000)
At 31 March 2019	1,020	69,687	11,677,134	11,747,841

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

	Called up share capital £	Share-based payment reserve £	Profit and loss account £	Total equity £
At 1 April 2017	1,020	69,687	11,380,186	11,450,893
Comprehensive income for the year				
Profit for the year	-	-	923,990	923,990
Currency translation differences	-	-	104,787	104,787
Other comprehensive income for the year	-	-	104,787	104,787
Total comprehensive income for the year	-	-	1,028,777	1,028,777
Dividends: Equity capital	-	-	(500,000)	(500,000)
Total transactions with owners	-	-	(500,000)	(500,000)
At 31 March 2018	1,020	69,687	11,908,963	11,979,670

The notes on pages 14 to 38 form part of these financial statements.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

1. General information

The Company is a private company, limited by shares and incorporated in England and Wales. Registered number is 02039252. Its registered head office is located at The COINS Building, 11 St Laurence Way, Slough, Berkshire, SL1 2EA.

The principal activity is as disclosed in the Directors' Report.

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 management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share Based Payment Arrangements paragraphs 26.18(b), 26.19 to 26.21 and 26.23, concerning its own equity instruments. The Company financial statements are presented with the consolidated financial instruments and the relevant disclosures are included therein;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of CSB Holdings Limited as at 31 March 2019 and these financial statements may be obtained from COINS Building, 11 St Laurence Way, Slough, Berkshire, SL1 2EA.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

2. Accounting policies (continued)

2.3 Going concern

The Company's business activities, together with the factors likely to affect its future development and its financial risk management objectives and policies, are set out in the Strategic report and Chairman's report. The Company and Group has considerable financial resources, together with a substantial recurring income stream from its existing customers. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the continuing uncertain economic outlook.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.4 Basis of consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the European Economic Area and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts. The information contained within these accounts represents the financial position and performance of the individual company only for the year ended 31 March 2019, and not that of its group.

2.5 Cash and cash equivalents

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

2.6 Revenue recognition

Turnover is based on the total amount receivable by the group for goods supplied and services provided, excluding VAT and trade discounts, with adjustments for deferred and accrued income as follows:

- income on installation contracts is recognised once the installation has been completed;
- income arising from the provision of consultancy services is recognised as the work is performed;
- income on maintenance contracts and combined licence/maintenance contracts is recognised evenly over the period of the contract;
- income with respect to licence fees (where it is possible to separate this from maintenance) is recognised once the licence period has commenced.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

2. Accounting policies (continued)

2.7 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 Profit and loss account over its useful economic life of 10 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The estimated useful lives range as follows:

Software	-	3	years
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2.8 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

Depreciation is provided on the following basis:

Freehold property	- 2%
Leasehold buildings	- over the life of the lease
Motor vehicles	- 25%
Fixtures and fittings	- 25%
Other assets	- 50%

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 Statement of Comprehensive Income.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

2. Accounting policies (continued)

2.10 Investment property

Investment property is carried at fair value determined annually by internal valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the 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 operates and generates 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; 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 reporting date.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

The assets and liabilities of the group's overseas branch are translated from their functional currency to Sterling (£) using the closing exchange rate. Income and expenses are translated using the average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on the translation of group companies are recognised in other comprehensive income and are not reclassified to profit or loss.

2.13 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the 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 Company in independently administered funds.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

2. Accounting policies (continued)

2.14 Financial instruments

The Company only enters into basic financial instruments 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 debtors and creditors, 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 creditors or debtors, 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 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.

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 Company would receive for the asset if it were to be sold at the reporting date.

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

2.15 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the 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.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

2. Accounting policies (continued)

2.16 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

2.17 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.18 Research and development

All research and development expenditure is written off in the Statement of Comprehensive Income in the period in which it is incurred.

2.19 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

2. Accounting policies (continued)

2.20 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.

2.21 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.

2.22 Finance costs

Finance costs are charged to the 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.

2.23 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest.

2.24 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

2.25 Interest income

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

2.26 Borrowing costs

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

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

2. Accounting policies (continued)

2.27 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Statement of Comprehensive Income in the year that the Company 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.

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

Key judgements in applying accounting policy

The following critical judgements made by management in applying the company's accounting policies have the most significant impact on the amounts recognised in the financial statements.

Valuation of investments

Where investments have a readily observable market value, management has valued the investment at this price. Where a market value is not readily available, management have valued investments using a mixture of historic cost and their experience and specific knowledge of the entity to value the investment accordingly. All gains and losses are taken through the statement of comprehensive income.

Recoverability of intra-group loans

The company has provided loans to a fellow subsidiary company which are repayable on demand. Loans are impaired to their recoverable value should the counterparty not have sufficient resources to repay the loan on demand after taking all possible steps including the sale of trade and assets.

Impairment of trade and other debtors

The Group and company makes a judgement of the recoverable value of trade receivables. When assessing impairment, management considers factors including the current credit rating of the customer, the ageing profile of the receivable, historical experience and any other relevant specific knowledge.

Exemptions on transition to FRS 102

The company has elected to use the previous UK GAAP valuation of land and buildings as the deemed cost on transition to FRS 102. The assets are being depreciated from the date of transition, 1 April 2014, in accordance with the company's accounting policies.

Critical accounting estimates and assumptions

The company and group makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the actual results. No estimates and assumptions are considered, by the directors, to have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

4. Turnover

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	22,606,063	19,854,666
Australia	2,038,702	1,944,370
	<u>24,644,765</u>	<u>21,799,036</u>

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Research & development charged as an expense	4,728,842	3,575,152
Depreciation of tangible fixed assets	419,856	283,403
Amortisation of intangible assets, including goodwill	136,760	211,253
Exchange differences	(16,348)	134,785
	<u>(16,348)</u>	<u>134,785</u>

6. Auditor's remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>34,560</u>	<u>34,500</u>
Fees payable to the Company's auditor and its associates in respect of:		
Non audit fees	<u>33,250</u>	<u>13,500</u>

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

7. Employees

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

	2019 £	2018 £
Wages and salaries	11,353,428	10,512,166
Social security costs	1,212,609	1,048,421
Cost of defined contribution scheme	337,540	315,037
	<u>12,903,577</u>	<u>11,875,624</u>

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

	2019 No.	2018 No.
Employees (excluding directors)	<u>203</u>	<u>192</u>

8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	1,601,717	723,771
Company contributions to defined contribution pension schemes	16,644	19,686
	<u>1,618,361</u>	<u>743,457</u>

During the year retirement benefits were accruing to 3 directors (2018: 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £663,609 (2018: £222,579).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,736 (2018: £4,736).

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

9. Income from investments

	2019 £	2018 £
Income from fixed asset investments	<u>775,342</u>	<u>770,739</u>

10. Taxation

	2019 £	2018 £
Corporation tax		
Adjustments in respect of previous periods	(263,232)	(20,814)
Total current tax	<u>(263,232)</u>	<u>(20,814)</u>
Deferred tax		
Origination and reversal of timing differences	-	(116,534)
Total deferred tax	<u>-</u>	<u>(116,534)</u>
Taxation on loss on ordinary activities	<u>(263,232)</u>	<u>(137,348)</u>

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

10. 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%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>499,409</u>	<u>786,642</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	94,888	149,462
Effects of:		
Expenses not deductible for tax purposes	164,509	167,336
Deferred tax not recognised	108,985	(191,359)
Adjustments to tax charge in respect of prior periods	(263,232)	(255,453)
Non-taxable income	(147,315)	(228,969)
Adjust closing rate for deferred tax	12,822	(31,395)
Adjustment in research and development tax credit leading to a decrease in the tax charge	(388,665)	-
Qualifying charitable donations unutilised	95,686	30,159
Fixed asset difference	59,090	222,871
Total tax charge for the year	<u>(263,232)</u>	<u>(137,348)</u>

Factors that may affect future tax charges

A reduction in the long-term UK corporate tax rate from 19% from 1 April 2017 to 17% on 1 April 2020 was substantively enacted on 15 September 2016 as part of the 2016 Finance Act. This will reduce the company's tax charges in future years.

11. Dividends

	2019 £	2018 £
Dividends	<u>1,000,000</u>	<u>500,000</u>

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

12. Intangible assets

	Software £	Goodwill £	Total £
Cost			
At 1 April 2018	680,584	146,500	827,084
At 31 March 2019	680,584	146,500	827,084
Amortisation			
At 1 April 2018	441,500	117,200	558,700
Charge for the year	122,110	14,650	136,760
At 31 March 2019	563,610	131,850	695,460
Net book value			
At 31 March 2019	116,974	14,650	131,624
At 31 March 2018	239,084	29,300	268,384

Amortisation of intangible assets is included in administration expenses

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

13. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Other fixed assets £	Total £
Cost or valuation					
At 1 April 2018	2,043,469	371,712	110,369	765,612	3,291,162
Additions	-	122,983	9,370	244,874	377,227
Disposals	(10,286)	(111,102)	-	(36,936)	(158,324)
At 31 March 2019	<u>2,033,183</u>	<u>383,593</u>	<u>119,739</u>	<u>973,550</u>	<u>3,510,065</u>
Depreciation					
At 1 April 2018	206,114	141,039	95,997	573,119	1,016,269
Charge for the period	38,315	93,129	12,180	276,232	419,856
Disposals	-	(32,155)	-	(33,731)	(65,886)
At 31 March 2019	<u>244,429</u>	<u>202,013</u>	<u>108,177</u>	<u>815,620</u>	<u>1,370,239</u>
Net book value					
At 31 March 2019	<u>1,788,754</u>	<u>181,580</u>	<u>11,562</u>	<u>157,930</u>	<u>2,139,826</u>
At 31 March 2018	<u>1,837,355</u>	<u>230,673</u>	<u>14,372</u>	<u>192,493</u>	<u>2,274,893</u>

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2018	2,287,397
Reversal of deferred consideration	(90,000)
At 31 March 2019	<u>2,197,397</u>
Impairment	
At 1 April 2018	764,509
Reversal of impairment	(247,457)
At 31 March 2019	<u>517,052</u>
Net book value	
At 31 March 2019	<u>1,680,345</u>
At 31 March 2018	<u>1,522,888</u>

Management have taken the decision to reverse an impairment of £243,295 in respect to Fulcro Engineering Services Limited due to the entity having significantly improved trading results for the year to 31 March 2019 compared to the previous financial year.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Pervasic Limited	11 St Laurence Way, Slough, Berkshire, SL1 2EA	Provisions of technology and related services	Ordinary	100%
S&J Management Services Limited	11 St Laurence Way, Slough, Berkshire, SL1 2EA	Dormant	Ordinary	100%
E-Xact Online Limited*	11 St Laurence Way, Slough, Berkshire, SL1 2EA	Product subscriptions	Ordinary	100%
Construction Industry Solutions Ireland Limited [^]	13-18 City Quay, Dublin 2	Provisions of technology and related services	Ordinary	100%
EAC (Projects) Limited	11 St Laurence Way, Slough, Berkshire, SL1 2EA	Dormant	Ordinary	100%
Diamonds Software Limited	11 St Laurence Way, Slough, Berkshire, SL1 2EA	Business and domestic software development	Ordinary	100%
Construction Industry Solutions ME FZE ^{^^}	PO Box 119539, Office 801, Saeed Tower II, Sheikh Zayed Road, Dubai, UAE	Provisions of technology and related services	Ordinary	90%
Gane International Limited	Unit 4 Adwalton Business Park, Wakefield Road, Drighlington, Bradford, West Yorkshire, BD11 1DR	Dormant	Ordinary	100%
Fulcro Engineering Services Limited	Unit 3a Wxford Park, Georges Elm Lane, Bidford-On-Avon, Alcester, Warwickshire, B50 4JS	Design and construction services	Ordinary	51%
Metz Architects Limited**	Unit 3a Wxford Park, Georges Elm Lane, Bidford-On-Avon, Alcester, Warwickshire, B50 4JS	Architectural activities	Ordinary	51%
Construction Industry Solutions (Australia) Pty Limited ^{^^^}	King George Central, Level 18, 145 Ann Street, Brisbane, QLD 4000	Dormant	Ordinary	100%

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

14. Fixed asset investments (continued)

Subsidiary undertakings (continued)

*Held indirectly through S&J Management Services Limited

**Held indirectly through Fulcro Engineering Services Limited

^Country of incorporation is Ireland

^^Country of incorporation is United Arab Emirates

^^^Country of incorporation is Australia

All other companies are incorporated in England and Wales.

The aggregate of the share capital and reserves as at 31 March 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit / (Loss) £
Pervasic Limited	463,498	113,466
S&J Management Services Limited	214,204	99,934
E-Xact Online Limited	164,250	21,437
Construction Industry Solutions Ireland Limited	274,876	428,983
EAC (Projects) Limited	77,663	-
Diamonds Software Limited	(31,049)	(1,000)
Construction Industry Solutions ME FZE	(1,602,120)	568,084
Gane International Limited	85,118	-
Fulcro Engineering Services Limited	703,199	793,075
Metz Architects Limited	100	5,719
Construction Industry Solutions (Australia) Pty Limited ^{^^^}	55	-

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

15. Investment property

	Freehold investment property £
Valuation	
At 1 April 2018	2,263,808
Additions at cost	317,563
Surplus on revaluation	(121,256)
At 31 March 2019	<u>2,460,115</u>

Investment properties comprises freehold land and buildings. The fair value of the investment property was arrived at by management. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

16. Stocks

	2019 £	2018 £
Finished goods and goods for resale	<u>69,040</u>	<u>21,258</u>

17. Debtors

	2019 £	2018 £
Trade debtors	3,778,583	3,435,952
Amounts owed by group undertakings	7,516,992	7,860,633
Amounts owed by associated undertakings	-	31,810
Other debtors	1,520,883	1,729,561
Called up share capital not paid	1,020	1,020
Prepayments and accrued income	2,062,413	2,040,626
Corporation tax recoverable	499,117	-
Loans to directors	979,937	1,286,597
Tax recoverable	307,524	386,877
	<u>16,666,469</u>	<u>16,773,076</u>

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

17. Debtors (continued)

An impairment provision of £420,854 (2018: £246,164) has been recognised against trade debtors.

An impairment provision of £486,322 (2018: £229,355) has been recognised against other debtors.

An impairment provision of £1,948,745 (2018: £1,467,393) has been recognised against amounts owed by group undertakings.

18. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>4,902,507</u>	<u>3,620,499</u>

19. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank loans	256,757	256,757
Trade creditors	1,023,507	1,246,865
Amounts owed to group undertakings	2,367,280	1,184,496
Corporation tax	-	92,164
Other taxation and social security	1,157,501	1,015,001
Other creditors	251,705	933,834
Accruals and deferred income	10,243,319	8,814,690
	<u>15,300,069</u>	<u>13,543,807</u>

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

	2019 £	2018 £
Bank loans	<u>703,182</u>	<u>922,495</u>

Secured loans

The bank loan is secured by a charge over a property held by the company and a cross guarantee and debenture with its parent company CSB Holdings Limited.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

21. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Bank loans		
Amounts falling due within one year	256,757	256,757
Amounts falling due 1-2 years	513,515	513,515
Amounts falling due 2-5 years	189,667	408,980
	<u>959,939</u>	<u>1,179,252</u>

22. Hire purchase leases

Included in other creditors is a hire purchase lease liability for assets with a cost of £704,888 (2018: £806,218).

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	116,677	146,287
Between 1-5 years	50,208	231,426
	<u>166,885</u>	<u>377,713</u>

23. Deferred taxation

	2019 £	2018 £
At beginning of year	(298,834)	(182,300)
Charged to profit or loss	-	(116,534)
At end of year	<u>(298,834)</u>	<u>(298,834)</u>

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

23. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(248,326)	(248,326)
Short term timing differences	9,617	9,617
Capital gains	(60,125)	(60,125)
	<u>(298,834)</u>	<u>(298,834)</u>

The company has an unrecognised deferred tax asset of £435,000 (2018: £295,000) in respect of tax losses carried forward. The asset has not been recognised as recognition criteria have not been met.

24. Share capital

	2019 £	2018 £
Authorised		
2,000 Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>
Allotted, called up and fully paid		
1,020 Ordinary shares of £1 each	<u>1,020</u>	<u>1,020</u>

25. Reserves

Share option reserve

The share option reserve represents the accumulated charge for share option agreements which are yet to be exercised.

Profit and loss account

The profit and loss account represents the accumulated results of the company, less any dividends paid.

26. Share based payments

CSB Holdings Limited, the company's parent undertaking, has a share option scheme for certain employees (including directors) of the group, which include some employees of this company. Options are exercisable at a price agreed with HM Revenue and Customs at the date of the grant. The options vest on the change of ownership of the parent company. The options are settled in equity once exercised.

Options are forfeited if the employee leaves the group before the options vest.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

27. Capital commitments

The company has no capital commitments which should be disclosed at 31 March 2019 or 31 March 2018.

28. Pension commitments

The company contributes to money purchase pension arrangements for the benefit of the employees, directors and senior employees. The assets of the arrangements are administered by trustees in funds independent from those of the company.

The pension cost charge represents contributions payable by the company to the fund and amounted to £337,540 (2018: £315,037). The balance outstanding at the year end, included within social security and other taxes, amounted to £63,112 (2018: £56,570).

29. Commitments under operating leases

At 31 March 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Land and buildings		
Not later than 1 year	106,984	29,591
Later than 1 year and not later than 5 years	135,876	-
	<u>242,860</u>	<u>29,591</u>
	2019 £	2018 £
Other		
Not later than 1 year	12,900	7,066
Later than 1 year and not later than 5 years	15,282	672
	<u>28,182</u>	<u>7,738</u>

Lease payments recognised as an expense during the year amounted to £267,869 (2018: £110,620).

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

30. Related party transactions

The Company has provided an interest free loan to Mr D Leaver, a director. The amount outstanding at 31 March 2019 was £57,063 (2018: £56,646). The maximum amount due during the year was £58,608 (2018: £56,646). Repayments during the year amounted to £1,545 (2018: £3,070).

The Company has provided an interest free loan to Mr N L Cope, a director. The amount outstanding at 31 March 2019 was £Nil (2018: £Nil). The maximum amount due during the year was £nil (2018: £147,819).

The Company has provided an interest free loan to Mrs J Franklin, a director. The amount outstanding at 31 March 2019 was £136,034 (2018: £120,494). The maximum amount due during the year was £136,034 (2018: £120,494). Repayments during the year amounted to £2,093 (2018: £nil).

The Company has provided a loan of to Mr L J Sullivan, on which interest is charged at the official HMRC rate. The total amount outstanding at 31 March 2019 from Mr L J Sullivan was £786,840 (2018: £1,109,457). The maximum amount due during the year was £1,168,482 (2018: £1,109,457). Repayments during the year amounted to £790,168 (2018: £83,881).

During the year, the Company charged Oasis Limited rental fees of £67,480 (2018: £74,470). The Company also incurred consultants' fees of £194,000 (2018: £276,000) from Oasis Limited. An amount of £273,695 (2018: £269,720) remains outstanding from Oasis Limited at the year end. An amount of £13,200 (2018: £26,400) remains outstanding to Oasis Limited at the year end. Oasis Limited is a related party by virtue of the common control and directorship of Mr L J Sullivan. A provision of £273,695 (2018: £229,355) is recorded against this balance. The expense recognised during the year in relation to the provision is £44,340 (2018: £198,355).

SNX 504 Limited is a related party by virtue of the common control and directorship of Mr L J Sullivan. An amount of £921 (2018: £Nil) at 31 March 2019 is due to SNX 504 Limited. During the year, £316,079 (2018: £Nil) was extended to the company and £317,000 (2018: £Nil) was received from the company.

The company has provided a loan to Fulcro Engineering Services Limited. The amount outstanding at 31 March 2019 was £42,764 (2018: £190,000). During the year £190,000 (2018: £115,000) was repaid by Fulcro Engineering Services Limited and further advances of £42,764 (2018: £255,000) were made to the company. There is no provision recognised (2018: £243,295) against the balance at year-end. During the year, there was a provision release of £243,295 (2018: £Nil).

Free Bird Film Limited is a related party by virtue of the common control and directorship of Mr L J Sullivan. An amount of £14,892 (2018: £26,725) remains outstanding from Free Bird Film Limited as at 31 March 2019. During the year £33,804 (2018: £42,009) of income was received from the company, and net transactions amounting to £19,524 (2018: £Nil) were purchased from the company.

The company is owed £1,135,155 (2018: £38,106) from Aynstone Limited as at 31 March 2019. During the year, the company extended money to the company amounting to £1,097,049 (2018: £38,106).

An amount of £2,663 (2018: £3,043) remains outstanding to Inclusive Enterprises Limited at the year end. £45,399 (2018: £51,906) worth of purchases were made by the company during the year. Inclusive Enterprises Limited is a related party by virtue of the common control of Mr L J Sullivan.

The Company has taken advantage of the exemption in FRS 102 Section 33 'Related Party Disclosures' from the requirement to disclose transactions with wholly owned group companies on the grounds that the all group companies are wholly owned.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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

31. Controlling party

The directors consider that the company's ultimate parent undertaking is its parent company, CSB Holdings Limited, incorporated in England and Wales.

The directors consider that the ultimate parent controlling party is Mr L J Sullivan, by virtue of his majority shareholding in CSB Holdings Limited.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by CSB Holdings Limited. Copies of these financial statements are available from Companies House.