Company Registration No. 02894161 (England and Wales)

MARBANK CONSTRUCTION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

MARBANK CONSTRUCTION LIMITED

COMPANY INFORMATION

Directors	M J E Woods	
	S A Brown	
	G Wensley	
	R W Charlton	(Appointed 28 March 2019)
	J Murray	(Appointed 2 September 2019)
Secretary	S A Brown	
Company number	02894161	
Registered office	3 Napier House Wintersells Road West Byfleet Surrey KT14 7LF	
Auditor	Haines Watts Sterling House 5 Buckingham Place Bellfield Road West High Wycombe Buckinghamshire United Kingdom HP13 5HQ	

MARBANK CONSTRUCTION LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Profit and loss account	8
Balance sheet	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 22

MARBANK CONSTRUCTION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2019

The directors present the strategic report for the year ended 31 July 2019.

Fair review of the business
Marbank is a principal contractor in the UK construction market, operating entirely within the private sector.

Commercial/Industrial market:

- The company specialises in the construction of steel framed and clad portal structures ("sheds") typically used in the industrial, distribution and retail sectors.
- Marbank is very competitive in this sector, and tender activity and order intake remain strong
- Most work is carried out under Design & Build contracts where Marbank carries full design responsibility.
- Most projects currently are located in the south-east of England and along the south coast, though the company has previously undertaken projects throughout mainland England.
- The Company's largest contract to date, for a £16 million contract in Daventry, is on programme to complete in December this year.

Key statistics for the year:

- Turnover up by 24% to £64.4m (2018: £52.0m)
- Profit before taxation improved to £2,182k (2018: £1,559k)
- Net cash balances £8.9m (2018: £6.9m)
- Average contract value currently c. £5m (2018: £5m)

Overview of the trading results for the year to 31 July 2019:
Trading results were much improved in the year as a whole, with profit before taxation increasing to £2,182k (2018: £1,559k).

Looking forward:
The directors expect turnover to increase somewhat during the current financial year. However, Brexit disruption is certainly possible, and planning is more than usually difficult at the moment.

Whilst it is too soon to predict the results for the year with any confidence, the company is trading well, is competitive in its sector, and has a strong balance sheet. The directors are confident that Marbank will achieve a satisfactory result in the year to 31 July 2020.

Compliance/Standards:
Marbank is accredited to ISO 9001 (Quality Assurance), and ISO 14001 (Environmental Management). All assessment and accreditation is by UKAS approved Isoqar, which is part of the Alcumus group.

The company's Health & Safety management policy will be accredited to the new ISO standard as soon as the new standard is available; meanwhile the current management policies are robust and effective.

Business Environment - Key risks
The key business risks and uncertainties affecting the company are considered to relate to the cyclical nature of the construction industry, competition from national and regional contractors, credit risk and key employee retention.

To protect from these risks, and to secure the long term future of the company, the directors work:

- To seek appropriate tendering opportunities for the company, to tender them competitively and accurately, and then to carry them out safely, professionally and on time;
- To build and maintain strong relations with the company's principal clients, suppliers and subcontractors;
- To ensure that the company's funding and balance sheet strength, together with its cost base, operational structure and management systems enable it to retain its position as a competitive and competent player in the construction industry, whilst retaining a flexible cost base capable of coping with cyclical market conditions;
- To develop and implement appropriate credit risk control procedures and insurances;
- To ensure that remuneration structures are competitive, with good working conditions combined with the provision of appropriate training and personal development opportunities.

Key Performance Indicators
In the longer run, the directors consider that the principal key performance indicator relevant to the company is the gross percentage return on contracts, which overall is equivalent to the company's gross margin.

Attention is also focused on maintaining a tight control of working capital and bank balances, and on successful retention of key staff.

On behalf of the board

....
S A Brown
Director
06/11/2019

MARBANK CONSTRUCTION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2019

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

Principal activities
The principal activity of the company continued to be that of principal contractor in the UK construction market, operating entirely within the private sector.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M J E Woods	
S A Brown	
G Wensley	
W I Harris	(Resigned 31 May 2019)
R W Charlton	(Appointed 28 March 2019)
J Murray	(Appointed 2 September 2019)

Results and dividends
The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £370,000. The directors do not recommend payment of a final dividend.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

....

S A Brown
Director
Date: 06/11/2019

MARBANK CONSTRUCTION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JULY 2019

The directors are responsible for preparing 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

MARBANK CONSTRUCTION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MARBANK CONSTRUCTION LIMITED

Opinion
We have audited the financial statements of Marbank Construction Limited (the 'company') for the year ended 31 July 2019 which comprise the profit and loss account, the balance sheet, the statement of changes in equity, the statement of cash flows 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 July 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.

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 our 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.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, 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: http://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.

Gary Heywood

Gary Heywood (Senior Statutory Auditor)
for and on behalf of Haines Watts

7/11/19

Chartered Accountants
Statutory Auditor

Sterling House
5 Buckingham Place
Bellfield Road West
High Wycombe
Buckinghamshire
United Kingdom
HP13 5HQ

MARBANK CONSTRUCTION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2019

	Notes	2019 £'000	2018 £'000
Turnover		64,423	52,016
Cost of sales		(58,262)	(46,935)
Gross profit		6,161	5,081
Administrative expenses		(4,000)	(3,533)
Operating profit	3	2,161	1,548
Interest receivable and similar income	6	21	11
Profit before taxation		2,182	1,559
Taxation profit	7	(483)	(275)
Profit for the financial year		1,699	1,284

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

MARBANK CONSTRUCTION LIMITED

BALANCE SHEET

AS AT 31 JULY 2019

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Tangible assets	9		142		155
Current assets					
Debtors falling due after more than one year	11	3,962		4,522	
Debtors falling due within one year	11	15,688		8,581	
Cash at bank and in hand		8,883		6,853	
		28,533		19,956	
Creditors: amounts falling due within one year	12	(20,859)		(13,624)	
Net current assets			7,674		6,332
Total assets less current liabilities			7,816		6,487
Provisions for liabilities	13		(7)		(7)
Net assets			7,809		6,480
Capital and reserves					
Called up share capital	16		250		250
Profit and loss reserves			7,559		6,230
Total equity			7,809		6,480

The financial statements were approved by the board of directors and authorised for issue on 06/11/2019 and are signed on its behalf by:

....

S A Brown
Director

Company Registration No. 02894161

MARBANK CONSTRUCTION LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2019

	Notes	Share capital £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 August 2017		250	5,256	5,506
Year ended 31 July 2018:				
Profit and total comprehensive income for the year		-	1,284	1,284
Dividends	**8**	-	(310)	(310)
Balance at 31 July 2018		250	6,230	6,480
Year ended 31 July 2019:				
Profit and total comprehensive income for the year		-	1,699	1,699
Dividends	**8**	-	(370)	(370)
Balance at 31 July 2019		250	7,559	7,809

MARBANK CONSTRUCTION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2019

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Cash flows from operating activities					
Cash generated from operations	**19**		2,681		1,742
Income taxes paid			(275)		(167)
Net cash inflow from operating activities			2,406		1,575
Investing activities					
Purchase of tangible fixed assets		(39)		(76)	
Proceeds on disposal of tangible fixed assets		12		35	
Interest received		21		11	
Net cash used in investing activities			(6)		(30)
Financing activities					
Dividends paid		(370)		(310)	
Net cash used in financing activities			(370)		(310)
Net increase in cash and cash equivalents			2,030		1,235
Cash and cash equivalents at beginning of year			6,853		5,618
Cash and cash equivalents at end of year			8,883		6,853

1 Accounting policies

Company information
Marbank Construction Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3 Napier House, Wintersells Road, West Byfleet, Surrey, KT14 7LF.

1.1 Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern
At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover
Turnover represents amounts receivable for services provided under contracts, net of VAT.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	10% on cost
Fixtures, fittings & equipment	10-20% on cost
Computer equipment	50% on cost
Motor vehicles	33-50% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1 Accounting policies **(Continued)**

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.6 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies **(Continued)**

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

1 Accounting policies **(Continued)**

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Operating profit

Operating profit for the year is stated after charging/(crediting):	**2019** **£'000**	**2018** **£'000**
Fees payable to the company's auditor for the audit of the company's financial statements	22	25
Depreciation of owned tangible fixed assets	39	40
Loss/(profit) on disposal of tangible fixed assets	1	(6)
Operating lease charges	103	131

4 Directors' remuneration

	2019 **£'000**	**2018** **£'000**
Remuneration for qualifying services	920	610
Company pension contributions to defined contribution schemes	128	113
	1,048	723

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2018 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2019 **£'000**	**2018** **£'000**
Remuneration for qualifying services	323	188
Company pension contributions to defined contribution schemes	40	50

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Directors	4	4
Administrative	24	23
Direct staff	3	3
	31	30

Their aggregate remuneration comprised:

	2019 £'000	2018 £'000
Wages and salaries	4,313	4,435
Social security costs	312	230
Pension costs	369	307
	4,994	4,972

6 Interest receivable and similar income

	2019 £'000	2018 £'000
Interest income		
Interest on bank deposits	21	11

7 Taxation

	2019 £'000	2018 £'000
Current tax		
UK corporation tax on profits for the current period	448	275
Adjustments in respect of prior periods	35	-
Total current tax	483	275

7 Taxation (Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £'000	2018 £'000
Profit before taxation	2,182	1,559
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	415	296
Tax effect of expenses that are not deductible in determining taxable profit	33	20
Adjustments in respect of prior years	35	-
Capital allowances	-	(6)
Other tax adjustments	-	(35)
Taxation charge for the year	483	275

8 Dividends

	2019 £'000	2018 £'000
Interim paid	370	310

9 Tangible fixed assets

	Leasehold land and buildings	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 August 2018	133	13	15	128	289
Additions	-	-	-	39	39
Disposals	-	-	-	(41)	(41)
At 31 July 2019	133	13	15	126	287
Depreciation and impairment					
At 1 August 2018	42	8	15	69	134
Depreciation charged in the year	13	3	-	23	39
Eliminated in respect of disposals	-	-	-	(28)	(28)
At 31 July 2019	55	11	15	64	145
Carrying amount					
At 31 July 2019	78	2	-	62	142
At 31 July 2018	91	5	-	59	155

10 Financial instruments

	2019	2018
	£'000	£'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	19,553	12,989
Carrying amount of financial liabilities		
Measured at amortised cost	19,444	12,624

11 Debtors

	2019	2018
Amounts falling due within one year:	£'000	£'000
Trade debtors	14,822	8,386
Other debtors	769	81
Prepayments and accrued income	97	114
	15,688	8,581

11 Debtors (Continued)

	2019	2018
Amounts falling due after more than one year:	**£'000**	**£'000**
Amounts owed by group undertakings	3,962	4,522
Total debtors	19,650	13,103

12 Creditors: amounts falling due within one year

	2019	2018
	£'000	£'000
Trade creditors	7,497	3,783
Amounts owed to group undertakings	-	560
Corporation tax	448	240
Other taxation and social security	967	760
Accruals and deferred income	11,947	8,281
	20,859	13,624

13 Provisions for liabilities

		2019	2018
	Notes	£'000	£'000
Deferred tax liabilities	15	7	7

14 Retirement benefit schemes

	2019	2018
Defined contribution schemes	**£'000**	**£'000**
Charge to profit or loss in respect of defined contribution schemes	369	307

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

15 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £'000	Liabilities 2018 £'000
Balances:		
Accelerated capital allowances	7	7

There were no deferred tax movements in the year.

16 Share capital

	2019 £'000	2018 £'000
Ordinary share capital		
Issued and fully paid		
250,000 Ordinary shares of £1 each	250	250
	250	250

17 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £'000	2018 £'000
Within one year	91	91
Between two and five years	-	91
	91	182

18 Ultimate controlling party

The immediate parent company is Mainstreet Holdings Limited.

The ultimate parent company is Boxtrent Limited and the ultimate controlling party is M J E Woods.

Copies of the financial statements of Boxtrent Limited are available from the registered office at 2 Wintersells Road, Byfleet, West Byfleet Surey, KT14 7LF.

19 Cash generated from operations

	2019 £'000	2018 £'000
Profit for the year after tax	1,699	1,284
Adjustments for:		
Taxation charged	483	275
Investment income	(21)	(11)
Loss/(gain) on disposal of tangible fixed assets	1	(6)
Depreciation and impairment of tangible fixed assets	39	40
Movements in working capital:		
(Increase)/decrease in debtors	(6,547)	3,478
Increase/(decrease) in creditors	7,027	(3,318)
Cash generated from operations	2,681	1,742

MARBANK CONSTRUCTION LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2019

		2019		2018
	£'000	£'000	£'000	£'000
Turnover				
Sales		64,423		52,016
Cost of sales				
Purchases	55,934		44,226	
Wages and salaries	1,825		2,208	
Hire of equipment (not operating lease)	503		501	
		(58,262)		(46,935)
Gross profit		6,161		5,081
Administrative expenses		(4,000)		(3,533)
Operating profit		2,161		1,548
Investment revenues				
Bank interest received	21		11	
		21		11
Profit before taxation		2,182		1,559

MARBANK CONSTRUCTION LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 JULY 2019

	2019 £'000	2018 £'000
Administrative expenses		
Wages and salaries	1,477	1,568
Social security costs	312	230
Recruitment	104	59
Staff training	54	42
Staff pension costs defined contribution	241	194
Directors' remuneration	907	600
Directors' pension costs - defined contribution scheme	128	113
Rent	81	110
Rates	54	48
Power, light and heat	10	25
Property repairs and maintenance	60	78
Insurance	365	338
Computer running costs	5	3
Leasing - motor vehicles	22	21
Motor running expenses	7	(3)
Travelling expenses	27	43
Legal and professional fees	176	192
Audit fees	37	25
Charitable donations	1	1
Bank charges	5	5
Insurance recharges	(414)	(358)
Printing and stationery	63	63
Advertising	1	-
Telecommunications	46	40
Entertaining	183	65
Sundry expenses	8	(3)
Depreciation	39	40
Profit or loss on sale of tangible assets (non exceptional)	1	(6)
	4,000	3,533