

Company Registration No. 02039252 (England and Wales)

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	Mr L J Sullivan Mr T P Armitage Mr N L Cope Ms J Franklin Mr M T James Mr D Leaver
Secretary	Mr A Halls
Company number	02039252
Registered office	Coins Building 11 St Laurence Way Slough Berkshire SL1 2EA
Auditor	CBW Audit Limited 66 Prescot Street London E1 8NN
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

CHAIRMANS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The chairman presents his statement for the year ended 31 March 2021.

The company turnover has increased by 1.4% to £24,097,249, whilst the balance sheet has strengthened by 0.2% over the previous year to £13,826,261 prior to declaring a dividend of £5,000,040 to the holding company.

This year's results reflect further consolidation of our leading position in the UK and the reorganisation of our Australian enterprise. The UK construction market continues to experience uncertainty arising from supply issues, labour issues and inflationary pressures. BREXIT was overtaken by the Coronavirus Pandemic, which in the first 6 months of the financial year did slow both software deal flow and the volume of software implementations as construction contractors and homebuilders put the brakes on their capital and project-based spending. The second 6 months of the year saw a gradual and sustained return to pre-COVID levels of business indicating that this major period of uncertainty was coming to an end. In general we remain optimistic that the Company will see significant medium to long term benefit from increased government initiated spending on infrastructure projects as they attempt to rebuild the post-Brexit and COVID-19 economy. We are well placed to add value to our customers businesses as we move into the "new era" following Brexit and the COVID-19 pandemic.

We had another very good year of new name business, and this year's financial performance remains impressive when set against the backdrop of the COVID-19 pandemic, the shift in our revenue model to subscriptions rather than upfront software licensing and continuing strong investment in research & development (R&D).

Our investment into the development of our innovative value-based solutions goes from strength to strength, with a continued focus on mobile and cloud applications all provided on Microsoft Azure.

Our UK head office, as a Centre for excellence, continually fosters an environment to support the growth of our global business. The methods of delivering our solutions and services to clients has continued to evolve, utilising the many digital technologies now available. Digitising our own as well as our customers businesses to be able to work effectively at home, in the office, on the road or on site has been one of several positive impacts of the challenges we currently face as a result of the COVID-19 pandemic.

We continue to support the COINS Grand Challenge in conjunction with leading construction companies and academic institutions which, this year was held virtually as a result of the COVID-19 pandemic. This is a global competition to identify new and emerging technology in the built environment. The 2021 event was planned to be in the UK but will again be hosted virtually.

We live in a world where all forms of social and economic inequality still exist. Through the COINS Foundation we continue to champion equality and diversity. Our support of people striving for equality and inclusion spans core curriculum education for people with mild to moderate disabilities in the UK, indigenous arts in Australia, and housing developments for economically disadvantaged people on a global basis to name but a few. We have recently also engaged with Project Search in the UK and set up our own Pathway's initiative to provide routes into employment for people with mild to moderate disabilities. Further information on the activities of the COINS Foundation can be found at COINS-Foundation.org

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

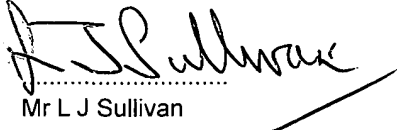
Finally, we look forward to collaborating with our customers, both existing and new, to find new and innovative ways of adding value to their businesses and the communities in which they work.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

CHAIRMANS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

On behalf of the board


Mr L J Sullivan
Director
29/10/21

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

Fair review of the business

The company turnover has increased by 1.4% to £24.1m, with the balance sheet strengthening by 0.2% to £13.8m over the previous year, prior to declaring a dividend of £5.0m to the holding company, reflecting our underlying after-tax profitability.

The company's recurring revenue was £18.8m, a 4.4% increase over 2020. This now represents 78% of our total UK business (2020: 76%).

The company had another good year in terms of the acquisition of new name customers and, in line with our transition to subscription-based pricing, the vast majority of the company's sales orders are now taken on a 5-year subscription basis. This shift continues to have a short-term negative impact on Revenue, Profits and cash flow over the more traditional upfront ILF (Initial License Fee) model but most importantly underpins the future enabling the business to plan with greater certainty.

This Financial Year coincided with the COVID-19 Pandemic and the first six months saw a reduction in new customer orders. The greatest impact in these early months being a reduction in implementation consultancy and training revenues due to a combination of postponements of new projects and a short-term freeze on existing software implementations. As the year progressed, the company and our customers adapted to deal with the impact of COVID-19 on day-to-day basis and we saw a strong second half to the year with new business orders and ongoing implementation services returning to similar levels as prior years. To offset this shortfall the company utilised the COVID-19 support provided by the UK and Australian governments.

Principal risks and uncertainties

The principal risks and uncertainties for the group are:

COVID19 – had a small impact on the Company results in the current year's accounts; mainly in the reduction in delivery and consultancy revenue during the first six months of the year as we and customers adapted to lockdown and working from home.

Brexit – "Brexit" did undoubtedly have some impact on the UK construction industry as deal flow slowed largely due to uncertainty around capital spending. Also, imported material prices increased, putting added pressure on slender construction industry margins. These did have a modest impact on our business in the UK but the post Brexit government infrastructure spending plans and the relaxation of stamp duty have given the industry a significant boost. In general, we remain optimistic that the Company will see significant medium to long term benefit from increased government initiated spending on infrastructure projects as they attempt to rebuild the post-Brexit and COVID-19 economy.

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

Retention of key staff - the company has had and continues to have a high retention of its key staff.

Business and customer confidence – following Brexit and the COVID-19 pandemic the construction industry overall remains cautiously optimistic about the future. As a business we remain very optimistic about the medium to long term prospects of the construction sector and believe we are in a strong position to take advantage of future opportunities.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Future Developments

The company continues to consolidate its position as a leading supplier of computer software solutions to construction contractors and homebuilders. We intend to continue to invest in R&D to help our customers realise increased margins and cash flow through the provision of end-to-end digitised business processes, which will compress time, reduce risk and improve decision making. We expect the level of underlying profitability to flatten in the next year whilst the UK economy acclimatises to the impact of Brexit, COVID-19 and our shift to a subscription-based revenue model continues. Beyond FY22 profitability is then expected to continue to increase as continued new business growth and the cumulative impact of our shift to subscription-based licencing increases our ARR (Annual Recurring Revenues). The group is continually seeking complementary business opportunities to support its organic growth.

Key performance indicators

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

Turnover £24,097,249 (2020: £23,765,066)

Recurring revenue £18,771,161 (2020: £17,980,361)

Profit before Tax £673,117 (2020: £1,389,631)

The net shareholder funds were £8,826,301 (2020: £13,293,720) following payment of a dividend of £5,000,040 (2020: £500,000)

Other performance indicators

The company's headcount increased from 219 to 227.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Other information and explanations

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 several financial risks, which are described in more detail below.

The main risks 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.

Market risk

Market risk encompasses two types of risk, 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 rate risk 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 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 23 to the financial statement.

Interest rate risk

The company finances its operations through a mixture of retained profits and very limited 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.

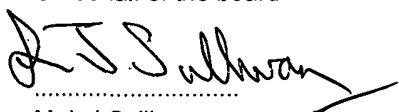
Credit risk

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 by the credit controller on a regular basis in conjunction with debt ageing and collection history.

On behalf of the board



Mr L J Sullivan

Director

.....29/10/21

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Principal activities

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

Branches

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 £673,117 (2020: £1,938,887).

The company paid dividends of £5,000,040 during the year (2020: £500,000). The directors do not recommend payment of a further dividend.

Directors

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

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

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Research and development

Research and development costs of £5,643,499 (2020: £5,645,008) were expensed in the year. This is a decrease of 0% on the prior year.

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 continues to seek complementary business opportunities to support its organic growth.

Auditor

In accordance with the company's articles, a resolution proposing that CBW Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

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.

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.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

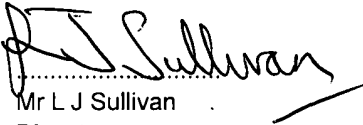
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Donations

The company paid donations of £198,256 (2020: £520,756) during the year.

On behalf of the board



Mr L J Sullivan

Director

Date: 29/10/21.....

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 March 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations. The laws and regulations applicable to the company were identified through discussions with directors and other management, and from our commercial knowledge and experience of services for computer software systems and solutions. Of these laws and regulations, we focused on those that we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, anti-bribery, anti-money-laundering, employment, environmental and health and safety legislation. The extent of compliance with these laws and regulations identified above was assessed through making enquiries of management and inspecting legal correspondence. The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

Use of our report

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



Daniel Rose (Senior Statutory Auditor)
For and on behalf of CBW Audit Limited

29/10/21
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Chartered Accountants
Statutory Auditor

66 Prescott Street
London
E1 8NN

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	4	24,097,249	23,765,066
Cost of sales		(9,813,436)	(9,340,024)
Gross profit		14,283,813	14,425,042
Administrative expenses		(15,238,258)	(16,172,178)
Other operating income		1,074,356	1,014,895
Operating profit/(loss)	5	119,911	(732,241)
Interest receivable and similar income	9	433,496	728,311
Interest payable and similar expenses	10	(42,110)	(27,147)
Amounts written back on investments	11	161,820	1,420,708
Profit before taxation		673,117	1,389,631
Tax on profit	12	-	549,256
Profit for the financial year		673,117	1,938,887

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

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Profit for the year	673,117	1,938,887
Other comprehensive income		
Currency translation differences	(140,496)	106,993
Total comprehensive income for the year	<u>532,621</u>	<u>2,045,880</u>

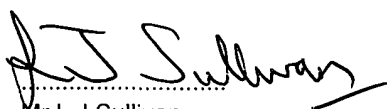
CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Intangible assets	14		24,832		71,338
Tangible assets	15		2,131,656		2,104,259
Investment properties	16		1,839,912		2,893,626
Investments	17		1,707,108		1,890,355
			<u>5,703,508</u>		<u>6,959,578</u>
Current assets					
Stocks	19	19,680		20,507	
Debtors	20	17,714,465		18,341,905	
Cash at bank and in hand		5,767,145		5,672,253	
		<u>23,501,290</u>		<u>24,034,665</u>	
Creditors: amounts falling due within one year	21	(19,724,607)		(16,926,213)	
Net current assets			<u>3,776,683</u>		<u>7,108,452</u>
Total assets less current liabilities			<u>9,480,191</u>		<u>14,068,030</u>
Creditors: amounts falling due after more than one year	22		(355,056)		(475,476)
Provisions for liabilities					
Deferred tax liability	25	298,834		298,834	
		<u>(298,834)</u>		<u>(298,834)</u>	
Net assets			<u>8,826,301</u>		<u>13,293,720</u>
Capital and reserves					
Called up share capital	28		1,020		1,020
Profit and loss reserves			8,825,281		13,292,700
Total equity			<u>8,826,301</u>		<u>13,293,720</u>

The financial statements were approved by the board of directors and authorised for issue on 29/10/21... and are signed on its behalf by:


Mr L J Sullivan
Director

Company Registration No. 02039252

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Own shares £	Profit and loss reserves £	Total £
Balance at 1 April 2019		1,020	69,687	11,677,134	11,747,841
Year ended 31 March 2020:					
Profit for the year		-	-	1,938,887	1,938,887
Other comprehensive income:					
Currency translation differences		-	-	106,993	106,993
Total comprehensive income for the year		-	-	2,045,880	2,045,880
Dividends	13	-	-	(500,000)	(500,000)
Credit to equity for equity settled share-based payments		-	-	69,686	69,686
Disposal of share based payments		-	(69,687)	-	(69,687)
Balance at 31 March 2020		1,020	-	13,292,700	13,293,720
Year ended 31 March 2021:					
Profit for the year		-	-	673,117	673,117
Other comprehensive income:					
Currency translation differences		-	-	(140,496)	(140,496)
Total comprehensive income for the year		-	-	532,621	532,621
Dividends	13	-	-	(5,000,040)	(5,000,040)
Balance at 31 March 2021		1,020	-	8,825,281	8,826,301

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Construction Industry Solutions Limited is a private company limited by shares incorporated in England and Wales. The registered office is Coins Building, 11 St Laurence Way, Slough, Berkshire, SL1 2EA.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Construction Industry Solutions Limited is a wholly owned subsidiary of CSB Holdings Limited and the results of Construction Industry Solutions Limited are included in the consolidated financial statements of CSB Holdings Limited which are available from COINS Building, 11 St Laurence Way, Slough, Berkshire, SL1 2EA.

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.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.3 Turnover

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 license/maintenance contracts is recognised evenly over the period of the contract;
- income with respect to license fees (where it is possible to separate this from maintenance) is recognised once the license period has commenced.

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

1.4 Research and development expenditure

All research and development expenditure is written off in profit or loss in the period in which it is incurred.

1.5 Intangible fixed assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Goodwill	10 years straight line
Software	3 years straight line

1.6 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:

Freehold land and buildings	2%
Plant and equipment	50%
Fixtures and fittings	25%
Computers	50%
Motor vehicles	25%

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.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently, 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 profit or loss.

1.8 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash and cash equivalents

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.

1.12 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.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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 through 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.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.13 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.

1.14 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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 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.

1.16 Retirement benefits

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

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on 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 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 expense 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.

3 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 material adjustment to the carrying amount of assets and liabilities within the next financial year.

4 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Sale and provision of software services	24,097,249	23,765,066

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4	Turnover and other revenue	(Continued)	
		2021	2020
		£	£
	Other significant revenue		
	Interest income	209,502	155,315
	Dividends received	223,994	572,996
	Grants received	594,007	26,801
		<u>24,097,249</u>	<u>23,765,066</u>
		2021	2020
		£	£
	Turnover analysed by geographical market		
	United Kingdom	22,563,615	22,343,114
	Australia	1,533,634	1,421,952
		<u>24,097,249</u>	<u>23,765,066</u>
5	Operating profit/(loss)	2021	2020
	Operating profit/(loss) for the year is stated after charging/(crediting):	£	£
	Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	281,541	(220,475)
	Research and development costs	5,643,499	5,645,008
	Government grants	(594,007)	(26,801)
	Depreciation of owned tangible fixed assets	328,249	278,187
	Profit on disposal of tangible fixed assets	(44,980)	-
	Amortisation of intangible assets	43,864	119,429
	Loss on disposal of intangible assets	6,206	-
	Operating lease charges	159,254	136,043
		<u>159,254</u>	<u>136,043</u>
6	Auditor's remuneration	2021	2020
	Fees payable to the company's auditor and associates:	£	£
	For audit services		
	Audit of the financial statements of the company	45,500	31,000
		<u>45,500</u>	<u>31,000</u>
	For other services		
	All other non-audit services	-	12,250
		<u>-</u>	<u>12,250</u>

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Employees

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

	2021 Number	2020 Number
	227	219

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	12,986,144	11,523,704
Social security costs	1,404,256	1,269,615
Pension costs	535,769	511,428
	<u>14,926,169</u>	<u>13,304,747</u>

8 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	1,283,603	1,143,948
Company pension contributions to defined contribution schemes	17,195	20,469
	<u>1,300,798</u>	<u>1,164,417</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2020 - 3).

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

	2021 £	2020 £
Remuneration for qualifying services	<u>389,716</u>	<u>234,098</u>

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	840	12,474
Other interest income	208,662	142,841
Total interest revenue	<u>209,502</u>	<u>155,315</u>
Income from fixed asset investments		
Income from shares in group undertakings	223,994	572,996
Total income	<u><u>433,496</u></u>	<u><u>728,311</u></u>

10 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and loans	18,147	30,021
Interest on finance leases and hire purchase contracts	6,907	(3,072)
Other interest	17,056	198
	<u>42,110</u>	<u>27,147</u>

11 Amounts written off investments

	2021	2020
	£	£
Changes in the fair value of investment properties	-	407,120
Amounts (written off)/written back to investments held at fair value	(227,537)	147,667
Other gains and losses	389,357	865,921
	<u>161,820</u>	<u>1,420,708</u>

12 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	-	(549,256)

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Taxation

(Continued)

The actual charge/(credit) 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:

	2021 £	2020 £
Profit before taxation	673,117	1,389,631
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	127,892	264,030
Tax effect of expenses that are not deductible in determining taxable profit	(12,937)	(213,572)
Tax effect of income not taxable in determining taxable profit	(49,926)	(108,869)
Tax effect of utilisation of tax losses not previously recognised	(65,029)	-
Adjustments in respect of prior years	-	263,232
Research and development tax credit	-	(811,116)
Qualifying charitable donations unutilised	-	57,039
Taxation charge/(credit) for the year	-	(549,256)

13 Dividends

	2021 £	2020 £
Final paid	5,000,040	500,000

14 Intangible fixed assets

	Goodwill £	Software £	Total £
Cost			
At 1 April 2020	146,500	739,727	886,227
Additions	-	3,564	3,564
Disposals	-	(217,813)	(217,813)
At 31 March 2021	146,500	525,478	671,978
Amortisation and impairment			
At 1 April 2020	146,500	668,389	814,889
Amortisation charged for the year	-	43,864	43,864
Disposals	-	(211,607)	(211,607)
At 31 March 2021	146,500	500,646	647,146
Carrying amount			
At 31 March 2021	-	24,832	24,832
At 31 March 2020	-	71,338	71,338

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost						
At 1 April 2020	2,036,208	402,006	120,771	634,264	351,228	3,544,477
Additions	-	36,724	-	253,158	102,631	392,513
Disposals	-	(121,445)	-	(181,209)	(184,786)	(487,440)
Exchange adjustments	-	490	1,245	8,364	-	10,099
At 31 March 2021	2,036,208	317,775	122,016	714,577	269,073	3,459,649
Depreciation and impairment						
At 1 April 2020	285,016	378,983	111,343	504,208	160,668	1,440,218
Depreciation charged in the year	40,587	24,080	4,663	183,814	75,105	328,249
Eliminated in respect of disposals	-	(119,800)	-	(181,209)	(145,457)	(446,466)
Exchange adjustments	-	343	755	4,894	-	5,992
At 31 March 2021	325,603	283,606	116,761	511,707	90,316	1,327,993
Carrying amount						
At 31 March 2021	1,710,605	34,169	5,255	202,870	178,757	2,131,656
At 31 March 2020	1,751,192	23,023	9,428	130,056	190,560	2,104,259

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2021 £	2020 £
Computers	117,802	-

16 Investment property

	2021 £
Fair value	
At 1 April 2020	2,893,626
Additions through external acquisition	11,398
Disposals	(822,075)
Net gains or losses through fair value adjustments	(243,037)
At 31 March 2021	1,839,912

Investment property comprises of freehold land and buildings. The fair value of the investment has been 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.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries and third party investments	18	<u>1,707,108</u>	<u>1,890,355</u>

Movements in fixed asset investments

	Shares in group undertakings and other investments £
Cost or valuation	
At 1 April 2020	2,259,639
Additions	32,135
Foreign Exchange movement	3,880
At 31 March 2021	<u>2,295,654</u>
Impairment	
At 1 April 2020	369,284
Impairment losses	219,262
At 31 March 2021	<u>588,546</u>
Carrying amount	
At 31 March 2021	<u>1,707,108</u>
At 31 March 2020	<u>1,890,355</u>

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Pervasic Limited	11 St Laurence Way, Slough, Berkshire, SL1 2EA	Provisions of technology and related services	Ordinary Shares	100.00
S&J Management Services Limited	11 St Laurence Way, Slough, Berkshire, SL1 2EA	Holding Company	Ordinary Shares	100.00
E-xact Online Limited*	11 St Laurence Way, Slough, Berkshire, SL1 2EA	Product Subscriptions	Ordinary Shares	100.00
Diamonds Software Limited	11 St Laurence Way, Slough, Berkshire, SL1 2EA	Dormant	Ordinary Shares	100.00
Construction Industry Solutions ME FZC ^{^^}	PO Box 120118, Saif Lounge R2-82002, Sharjah Airport International Free Zone, Sharjah, UAE	Provisions of technology and related services	Ordinary Shares	90.00
Gane International Limited	Unit 4 Adwalton Business Park, Wakefield Road, Drighlington, Bradford, West Yorkshire, BD11 1DR	Dormant	Ordinary Shares	100.00
Fulcro Engineering Services Limited	Unit 3a Wxford Park, Georges Elm Lane, Bidford-On-Avon, Alcester, Warwickshire, B50 4JS	Design and construction services	Ordinary Shares	51.00
Metz Architects Limited**	Unit 3a Wxford Park, Georges Elm Lane, Bidford-On-Avon, Alcester, Warwickshire, B50 4JS	Architectural Services	Ordinary Shares	51.00
Construction Industry Solutions (Australia) Pty Limited ^{^^^}	King George Central, Level 18, 145 Ann Street, Brisbane, QLD 4000	Dormant	Ordinary Shares	100.00
Construction Industry Solutions Ireland Limited [^]	2nd Floor St. Johns House, High Street, Tallaght, Dublin 24	Provisions of technology and related services	Ordinary Shares	100.00
EAC (Projects) Limited	11 St Laurence Way, Slough, Berkshire, SL1 2EA	Dormant	Ordinary Shares	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves	Profit/(Loss)
	£	£
Pervasic Limited	469,514	21,886
S&J Management Services Limited	214,204	-
E-xact Online Limited*	240,575	61,369
Diamonds Software Limited	(29,812)	-
Construction Industry Solutions ME FZC ^{^^}	(677,507)	539,430
Gane International Limited	85,118	-
Fulcro Engineering Services Limited	2,152,589	589,172
Metz Architects Limited**	100	-
Construction Industry Solutions (Australia) Pty Limited ^{^^^}	55	-
Construction Industry Solutions Ireland Limited [^]	786,598	663,054
EAC (Projects) Limited	73,261	-

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Subsidiaries

(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

19 Stocks

	2021	2020
	£	£
Raw materials and consumables	19,680	20,507

20 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	3,325,122	3,168,499
Unpaid share capital	-	1,020
Corporation tax recoverable	197,314	864,592
Amounts owed by group undertakings	8,704,109	8,595,215
Other debtors	3,885,347	3,877,970
Prepayments and accrued income	1,602,573	1,834,609
	<u>17,714,465</u>	<u>18,341,905</u>

An impairment provision of £236,730 (2020: £395,209) has been recognised against trade debtors.

An impairment provision of £374,619 (2020: £744,273) has been recognised against other debtors.

An impairment provision of £1,212,331 (2020: £1,639,909) has been recognised against amounts owed by group and related undertakings.

21 Creditors: amounts falling due within one year

	2021	2020
	£	£
	Notes	
Bank loans	23	256,757
Obligations under finance leases	24	58,513
Trade creditors		1,052,715
Amounts owed to group undertakings		4,669,357
Taxation and social security		2,279,418
Deferred income		9,287,151
Other creditors		102,044
Accruals		2,018,652
		<u>19,724,607</u>
		<u>16,926,213</u>

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

22 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	23	242,676	475,476
Obligations under finance leases	24	112,380	-
		<u>355,056</u>	<u>475,476</u>

23 Loans and overdrafts

	2021 £	2020 £
Bank loans	<u>499,433</u>	<u>732,233</u>
Payable within one year	256,757	256,757
Payable after one year	<u>242,676</u>	<u>475,476</u>

The borrowings in the account represent a bank loan with for a term of 10 years being repaid in 120 instalments.

Interest is charged at 2.75% above the base rate.

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

24 Finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Within one year	58,513	33,771
In two to five years	112,380	-
	<u>170,893</u>	<u>33,771</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

25 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021	Liabilities 2020
Balances:	£	£
Accelerated capital allowances	248,326	248,326
Tax losses	(9,617)	(9,617)
Revaluations	60,125	60,125
	<u>298,834</u>	<u>298,834</u>

There were no deferred tax movements in the year.

The company has an unrecognised deferred tax asset of £214,338 (2020: £322,100) in respect of tax losses carried forward. The asset has not been recognised as recognition criteria have not been met.

26 Government grants

The government grant recognised in operating profit was received from the Australian Tax Office and the UK Government in response to the COVID-19 pandemic.

27 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>535,769</u>	<u>511,428</u>

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.

28 Share capital

	2021	2020	2021	2020
Ordinary share capital Issued and fully paid	Number	Number	£	£
Ordinary Shares of £1 each	<u>1,020</u>	<u>1,020</u>	<u>1,020</u>	<u>1,020</u>

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

29 Operating lease commitments

Lessee

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:

	2021	2020
	£	£
Within one year	89,414	105,799
Between two and five years	30,257	108,483
	<u>119,671</u>	<u>214,282</u>

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

30 Related party transactions

Transactions with related parties

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 all the group companies are wholly owned.

During the year the company entered into the following transactions with related parties:

	Sales		Purchases	
	2021	2020	2021	2020
	£	£	£	£
Entities under common control	64,495	65,785	11,313	117,247

	2021	2020
	£	£
Amounts due to related parties		
Entities under common control	94	501

The following amounts were outstanding at the reporting end date:

	2021	2020
	£	£
Amounts due from related parties		
Entities under common control	1,479,106	306,974

Other information

During the year the Company granted a waiver of £139,000 on a loan to a related party.

31 Directors' transactions

Description	Opening balance	Amounts repaid	Closing balance
	£	£	£
Director 1	844,913	(395,585)	449,328
Director 2	13,346	-	13,346
Director 3	131,729	(131,729)	-
Director 4	56,684	(34,826)	21,858
	<u>1,046,672</u>	<u>(562,140)</u>	<u>484,532</u>

The Company has provided interest free loans to Directors, 2, 3 and 4.

The Company has provided a loan to Director 1, on which interest is charged at the official HMRC rate.

CONSTRUCTION INDUSTRY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

32 Ultimate 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 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.