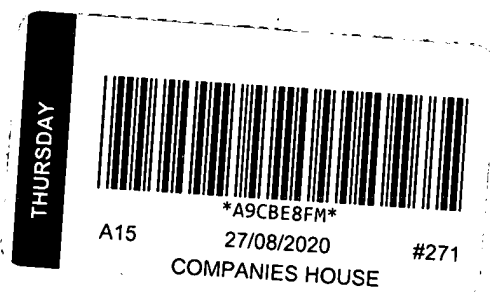


Registered number: 01031385

TRAD SCAFFOLDING CO.LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2019



TRAD SCAFFOLDING CO. LIMITED

COMPANY INFORMATION

Directors	Dr M Altrad I M Garcia R Neilson D Moore N Garner (resigned 29 March 2019) P McShane C Smith (resigned 15 January 2019) L Huetz R A Howe M I Osman (resigned 17 September 2018) S L Kearney C G Hayes J A Fassenfelt (appointed 15 October 2018, resigned 6 November 2019) G M Checketts (resigned 30 August 2019) P V Matthews (appointed 2 January 2020)
Company secretary	P V Matthews
Registered number	01031385
Registered office	Trad Scaffolding Albion Road Dartford Kent DA1 5PZ
Independent auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

TRAD SCAFFOLDING CO. LIMITED

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TRAD SCAFFOLDING CO. LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

Introduction

The company's principal activity is that of scaffolding contractors.

Business review

Trading conditions remained competitive for the year ended 31 August 2019. Turnover levels increased in the year to £27.1 million (2018: £25.6 million) as uncertainty around Brexit impacted market conditions and construction slowed in the London region where the majority of the company's work is carried out.

The directors have focussed on reducing costs and negating the impact of lower performance contracts, which have impacted the results in 2019. As a result the business has restructured, to ensure the organisational and geographical structure is suitable for current market conditions and for the longer term strategy of the business.

Principal risks and uncertainties

We believe the principal risk and uncertainty facing the business is the general economic climate.

Coronavirus

At the date of signing these accounts, COVID-19 represents both a risk to the business and its people. The company is taking active measures to ensure its people remain safe and healthy. We have implemented the following measures: self-isolation, social distancing and the ability to work from home or in roster patterns where necessary. Business sustainability is also kept under continual review with ongoing monitoring and flexing of the cost base to respond to any shortfalls in revenue. Actions include reduction in working hours, reductions in discretionary spending and utilisation of the Governments Coronavirus Job Retention Scheme.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before new accounts are accepted, and continually monitors the credit arrangements of existing customers.

Price risk

Expenditure incurred by the company is authorised prior to it being made by management in order to ensure that goods and services are not obtained at a higher price than necessary.

Financial risk management

Exposure to credit, interest and liquidity risk arises in the normal course of the company's business. The policies set by the board of directors are implemented by the finance department.

Liquidity risk

The company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the company has sufficient funds for operations and planned expansion. The future cash requirements are actively monitored ensuring a pro-active approach and helping to ensure the group's compliance with any bank covenants.

TRAD SCAFFOLDING CO. LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

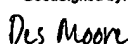
Financial key performance indicators

Given the straightforward nature of the business, the directors are of the opinion that the use of non financial KPI's is not necessary to obtain an understanding of the company's performance. Management monitor the following financial KPI's at a branch and group level:

- Turnover	£27,066,898
- Gross profit margin	19.3%
- Net profit margin	(10.4%)

Management also monitor the utilisation of hire stock and believe that the current year level, given the market conditions, has been satisfactory at rate of return of 321% (2018: 261%).

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

DocuSigned by:

952BD238B55A437...
Des Moore
Director

Date: 14 August 2020

TRAD SCAFFOLDING CO. LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

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

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 for the company's financial statements 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £2,820,962 (2018: £2,114,066).

The directors do not recommend the payment of a dividend (2018: £Nil).

Directors

The directors who served during the year are disclosed on the company information page.

Coronavirus

At the date of signing these financial statements, the directors have considered the effect on the company with the information available to it, and do not believe it will affect the company's ability to continue to trade for the foreseeable future. As with most businesses, there will be short term practical difficulties which we have addressed and are managing. See note 1.2 for further details.

TRAD SCAFFOLDING CO. LIMITED

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

Employee involvement and disabled employees

The company offers equal opportunities to all applicants for employment whatever their sex, race or religion. Disabled persons are considered for employment, training, career development and promotion on the basis of their attitudes and abilities in common with all employees, providing the disability does not make the particular employment impractical or the employee unable to conform to the stringent regulations which apply to the operations of the company.


During the period the company has maintained and developed arrangements aimed at systematically providing employees with information on matters of concern to them as employees, consulting them or their representatives on a regular basis, so that their views may be taken into account in making decisions which are likely to affect their interests. The company encourages employee involvement and believes that achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of their employing company plays a major role in maintaining the success of the company.

Disclosure of information to auditor

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

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

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

DocuSigned by:

852BD238B55A437...
D Moore
Director

Date: 14 August 2020

TRAD SCAFFOLDING CO. LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAD SCAFFOLDING CO. LIMITED

Opinion

We have audited the financial statements of Trad Scaffolding Co. Limited (the 'company') for the year ended 31 August 2019, which comprise the profit and loss account, the balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2019 and of its loss 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to the going concern accounting policy in note 1.2, which refers to the global Coronavirus pandemic. Our opinion is not modified in respect of this matter.

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.

TRAD SCAFFOLDING CO. LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAD SCAFFOLDING CO. LIMITED
(CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 or the directors' report.

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

- adequate accounting records have not been kept, 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.

TRAD SCAFFOLDING CO. LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAD SCAFFOLDING CO. LIMITED
(CONTINUED)**

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Andrew Honarmand (Senior statutory auditor)

for and on behalf of
Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 14 August 2020

TRAD SCAFFOLDING CO. LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
Turnover	3	27,066,898	25,653,119
Cost of sales		(21,832,443)	(18,416,176)
Gross profit		<u>5,234,455</u>	<u>7,236,943</u>
Administrative expenses		(8,427,495)	(8,975,546)
Other operating income	4	<u>1,136,345</u>	<u>1,375,481</u>
Operating loss	5	(2,056,695)	(363,122)
Amounts provided against investments	12	(1,143,347)	(2,007,858)
Interest receivable and similar income		66,292	63,675
Interest payable and similar charges		<u>(23,624)</u>	<u>(39,671)</u>
Loss on ordinary activities before taxation		(3,157,374)	(2,346,976)
Taxation on loss on ordinary activities	9	<u>336,412</u>	<u>232,910</u>
Loss for the financial year		<u><u>(2,820,962)</u></u>	<u><u>(2,114,066)</u></u>
Retained earnings at the beginning of the year		16,092,525	18,206,591
Loss for the year		<u>(2,820,962)</u>	<u>(2,114,066)</u>
Retained earnings at the end of the year		<u><u>13,271,563</u></u>	<u><u>16,092,525</u></u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the profit and loss account.

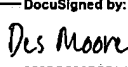
The notes on pages 10 to 25 form part of these financial statements.

TRAD SCAFFOLDING CO. LIMITED
REGISTERED NUMBER: 01031385

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible fixed assets	11	9,680,833	10,838,158
Fixed asset investments	12	-	1,143,347
		<u>9,680,833</u>	<u>11,981,505</u>
Current assets			
Debtors: amounts falling due within one year	13	8,792,113	8,679,046
Cash at bank and in hand		810,919	2,194,409
		<u>9,603,032</u>	<u>10,873,455</u>
Creditors: amounts falling due within one year	14	<u>(5,785,413)</u>	<u>(5,934,415)</u>
Net current assets		<u>3,817,619</u>	<u>4,939,040</u>
Total assets less current liabilities		<u>13,498,452</u>	<u>16,920,545</u>
Creditors: amounts falling due within one year	15	(21,997)	(386,931)
Provisions for liabilities			
Deferred tax	16	(93,782)	(329,979)
Net assets		<u><u>13,382,673</u></u>	<u><u>16,203,635</u></u>
Capital and reserves			
Called up share capital	17	100,000	100,000
Capital redemption reserve	18	11,110	11,110
Profit and loss account	18	13,271,563	16,092,525
Shareholders' funds		<u><u>13,382,673</u></u>	<u><u>16,203,635</u></u>

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

DocuSigned by:

852BD238B55A437...
D Moore
Director

Date: 14 August 2020

The notes on pages 10 to 25 form part of these financial statements.

TRAD SCAFFOLDING CO. LIMITED

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

1. Accounting policies

Trad Scaffolding Co. Limited (the 'company') is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the company. The financial statements are for the year ended 31 August 2019 (2018: year ended 31 August 2018).

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of the financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity or areas of assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following accounting policies have been applied consistently throughout the year:

1.2 Coronavirus and going concern

At the balance sheet date the company had a strong net current asset position, significant cash availability on a group wide basis and the ability to draw upon banking facilities available to it through its ultimate parent company. At the date of signing these accounts, the directors have considered the effect of COVID-19 on the going concern position, and consider that this does indicate that the company will continue to trade for a period of at least 12 months from signing these accounts. This is due to the current cash position, and if needed, to be able to utilise cash availability from its group companies, along with the UK Government support available to businesses during this difficult time.

On that basis, the directors have prepared the financial statements on a going concern basis.

1.3 Exemptions

Under FRS 102 section 1.12, the company has taken advantage of the requirement to prepare a statement of cash flows. Where required, equivalent disclosures are given in the group accounts of Altrad Participations. The group accounts of Altrad Participations are available to the public and can be obtained as set out in note 24.

As permitted by FRS 102 section 33.1A the company has taken advantage of the disclosure exemptions available in relation to related party transactions with wholly owned group companies.

1.4 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Altrad Participations, and is included in the consolidated accounts of that company.

TRAD SCAFFOLDING CO. LIMITED

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

1. Accounting policies (continued)

1.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, Value Added Tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

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

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

1.6 Intangible fixed assets and amortisation

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

TRAD SCAFFOLDING CO. LIMITED

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

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

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

Short-term leasehold improvements	- 10% straight line
Plant and machinery	- 8.33% - 25% straight line
Motor vehicles	- 20% - 25% straight line
Fixtures and fittings	- 33.33% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Any impairment loss is recognised as an expense immediately in the profit and loss account.

1.8 Investments

Investments are initially measured at cost and reviewed annually for impairment. If an impairment loss is identified, this is recognised immediately in the profit and loss account and the value of the investment is reduced accordingly.

TRAD SCAFFOLDING CO. LIMITED

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

1. Accounting policies (continued)

1.9 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities, such as trade and other debtors and creditors, and loans from and to related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

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

1.10 Foreign currency translation

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

1.11 Leasing and hire purchase

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant rate of charge on the net obligation outstanding in each period.

Assets held for rental to customers are included in fixed assets at cost and depreciated over the assets' useful lives.

1.12 Pensions

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

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

TRAD SCAFFOLDING CO. LIMITED

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

1. Accounting policies (continued)

1.13 Provisions for liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of past events, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking in to account the risks and uncertainties surrounding the obligation.

1.14 Current and deferred taxation

The tax charge for the year comprises current and deferred tax

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

TRAD SCAFFOLDING CO. LIMITED

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

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

The directors makes estimates and assumptions concerning the future. The directors are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of fixed assets

The directors assess the impairment of tangible fixed assets or intangible assets subject to depreciation or amortisation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant under performance relative to historical or projected future operating results;
- Significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

Depreciation and residual values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of plant and machinery, and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Impairment of investments

The directors review the carrying value of all other assets for indicators of impairment at each period end. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds its recoverable amount. This process will usually involve the estimation of future cash flows which are likely to be generated by the asset.

Recoverability of trade debtors

Trade and other debtors are recognised to the extent that they are judged recoverable. The directors' reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

The directors make allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The directors specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such a difference will impact the carrying value of debtors and the charge in the profit and loss account.

TRAD SCAFFOLDING CO. LIMITED

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

2. Judgements in applying accounting policies (continued)

Provisions

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

Leases

The directors determine whether leases entered into by the company either as a lessor or a lessee are operating or leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

Taxation

There are many transactions and calculations for which the ultimate tax determination is uncertain. The company takes professional advice on its tax affairs and recognises liabilities for anticipated tax based on estimates of what taxation is likely to be due.

The directors estimation is required to determine the amount of any deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

3. Turnover

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

4. Other operating income

	2019 £	2018 £
Management charges receivable	1,136,345	1,375,481

TRAD SCAFFOLDING CO. LIMITED

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

5. Operating loss

The operating loss is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets owned by the company	1,949,185	1,905,672
Depreciation of tangible fixed assets held under finance leases	467,865	423,892
Operating lease rentals	1,189,370	1,023,377
Difference on foreign exchange	(3,433)	4,701
Loss on disposal of tangible fixed assets	115,928	309,456
	<u>115,928</u>	<u>309,456</u>

6. Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor for the audit of the company's annual accounts	37,000	34,500
Fees payable to the company's auditor in respect of taxation	-	3,000
	<u>-</u>	<u>3,000</u>

7. Employees

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

	2019 £	2018 £
Wages and salaries	12,182,901	12,077,506
Social security costs	1,267,878	1,273,644
Pension costs	355,119	309,456
	<u>13,805,898</u>	<u>13,660,606</u>

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

	2019 No.	2018 No.
Administration	28	23
Operational	29	35
Direct labour	237	246
	<u>294</u>	<u>304</u>

TRAD SCAFFOLDING CO. LIMITED

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

8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	993,805	1,306,366
Company contributions to defined contribution pension schemes	49,117	61,277
	<u>1,042,922</u>	<u>1,367,643</u>

During the year retirement benefits were accruing to 9 directors (2018: 9) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £334,141 (2018: £397,821).

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

Some of the directors are also directors of other group undertakings. The directors' remuneration was paid by these undertakings. The directors do not believe that it is practical to apportion this amount between their services as directors of the company and their services as directors of the fellow group companies.

9. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on losses for the year	(93,211)	115,565
Adjustments in respect of previous periods	(7,004)	(211,470)
Total current tax	<u>(100,215)</u>	<u>(95,905)</u>
Deferred tax		
Origination and reversal of timing differences	(240,560)	(138,295)
Adjustments in respect of prior periods	4,363	1,290
Total deferred tax	<u>(236,197)</u>	<u>(137,005)</u>
Taxation on loss on ordinary activities	<u><u>(336,412)</u></u>	<u><u>(232,910)</u></u>

TRAD SCAFFOLDING CO. LIMITED

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

9. Taxation (continued)

Factors affecting tax charge for the year

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

	2019 £	2018 £
Loss on ordinary activities before tax	(3,157,374)	(2,346,976)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(599,901)	(445,925)
Effects of:		
Expenses not deductible for tax purposes	237,829	395,595
Fixed asset differences	-	11,337
Adjustments to tax charge in respect of previous periods	(7,004)	(211,470)
Adjustment of deferred tax to average rate	28,301	16,263
Adjustment to deferred tax charge in respect of previous periods	4,363	1,290
Total tax charge for the year	(336,412)	(232,910)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10. Intangible assets

	Goodwill £
Cost	
At 1 September 2018 and 31 August 2019	2,625,000
Amortisation	
At 1 September 2018 and 31 August 2019	2,625,000
Net book value	
At 31 August 2019	-
At 31 August 2018	-

TRAD SCAFFOLDING CO. LIMITED

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

11. Tangible fixed assets

	Short-term leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 September 2018	71,570	22,316,255	3,098,693	295,222	25,781,740
Additions	-	1,129,964	386,636	50,262	1,566,862
Disposals	-	(491,164)	(375,971)	-	(867,135)
At 31 August 2019	71,570	22,955,055	3,109,358	345,484	26,481,467
Depreciation					
At 1 September 2018	7,506	12,654,814	2,109,247	172,015	14,943,582
Charge for the year	10,088	1,692,372	644,399	70,191	2,417,050
Disposals	-	(206,549)	(353,449)	-	(559,998)
At 31 August 2019	17,594	14,140,637	2,400,197	242,206	16,800,634
Net book value					
At 31 August 2019	53,976	8,814,418	709,161	103,278	9,680,833
At 31 August 2018	64,064	9,661,441	989,446	123,207	10,838,158

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

	2019 £	2018 £
Motor vehicles	463,996	827,165

TRAD SCAFFOLDING CO. LIMITED

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

12. Fixed asset investments

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
Cost			
At 1 September 2018 and 31 August 2019	3,151,205	175,000	3,326,205
Impairment			
At 1 September 2018	2,007,858	175,000	2,182,858
Impairment charge	1,143,347	-	1,143,347
At 31 August 2019	3,151,205	175,000	3,326,205
Net book value			
At 31 August 2019	-	-	-
At 31 August 2018	1,143,347	-	1,143,347

The following was a subsidiary undertaking of the company:

Name	Class of shares	Holding
Altrad MTD Limited	Ordinary	100%

The registered office of the subsidiary is the same as the registered office of Trad Scaffolding Co. Limited.

TRAD SCAFFOLDING CO. LIMITED

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

13. Debtors

	2019 £	2018 £
Trade debtors	4,144,167	4,822,336
Amounts owed by group undertakings	3,632,821	3,184,677
Other debtors	690,341	402,810
Prepayments and accrued income	324,784	269,223
	<u>8,792,113</u>	<u>8,679,046</u>

An impairment loss of £393,610 (2018: £78,285) was recognised in administrative expenses against trade debtors during the year.

14. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	1,306,038	2,248,524
Amounts owed to group undertakings	2,034,364	1,039,720
Taxation and social security	420,912	974,985
Net obligations under finance lease and hire purchase contracts	417,536	452,599
Other creditors	101,282	168,360
Accruals and deferred income	1,505,281	1,050,227
	<u>5,785,413</u>	<u>5,934,415</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

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

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	<u>21,997</u>	<u>386,931</u>

TRAD SCAFFOLDING CO. LIMITED

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

16. Deferred taxation

	2019 £
At beginning of year	329,979
Charged to profit or loss	(236,197)
At end of year	93,782

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	305,020	406,437
Short term timing differences	(211,238)	(76,458)
	<u>93,782</u>	<u>329,979</u>

17. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

18. Reserves

Capital redemption reserve

The capital redemption reserve arises upon the buy back of issued share capital by the company.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses, less dividends paid.

19. Contingent liabilities

The company has given guarantees for amounts due from Trad Hire & Sales Limited and Trad Safety Systems Limited to certain suppliers. At 31 August 2019, amounts owed to these suppliers totalled £944,036 (2018: £829,097).

The company has entered into an unlimited cross guarantee with Trad Group Limited, Trad Hire & Sales Limited and Trad Safety Systems Limited to support its bank facilities. At the year end, the balance was £Nil (2018: £Nil).

TRAD SCAFFOLDING CO. LIMITED

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

20. Pension commitments

The company operates a defined contribution plan for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and is set out in note 7.

21. Operating lease commitments

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

	2019 £	2018 £
Not later than 1 year	905,492	1,000,235
Later than 1 year and not later than 5 years	2,497,244	2,579,968
Later than 5 years	-	213,333
	<u>3,402,736</u>	<u>3,793,536</u>

22. Related party transactions

The directors are considered to be the only employees who have the authority and responsibility for planning, directing and controlling the activities of the company and are considered to be key management personnel. Their remuneration is disclosed in note 8.

During the year, the company undertook the following transactions and has balances outstanding as at the year end with non-wholly owned group entities under common control:

	2019 £	2018 £
Sales	76,849	63,964
Purchases	1,422,683	3,755,452
Interest received	65,348	61,455
Amounts owed from group entities under common control	2,226,437	2,240,684
Amounts owed to group entities under common control	<u>866,057</u>	<u>826,017</u>

23. Post balance sheet events

Subsequent to the year end, there has been an outbreak of Coronavirus which has developed into a global pandemic. At this stage, the directors are assessing what impact this may have on the company and although there is a high level of uncertainty about the extent and the timeframe of the virus on the global economy, they believe the company is strongly positioned to handle any downturn that may occur.

TRAD SCAFFOLDING CO. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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24. Controlling party

The company's immediate parent company is Trad Group Limited, a company incorporated in England and Wales. The ultimate parent undertaking is Altrad Participations, a company incorporated in France. Altrad Participations is controlled by M Altrad.

The smallest and largest group for which group financial statements are prepared is the Altrad Participations group. Copies of the financial statements can be obtained from the company secretary at 16, Avenue de la Gardie, 34510, Florensac, France.