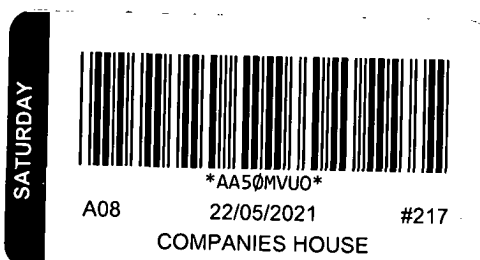


Registered number: 01031385

TRAD SCAFFOLDING CO.LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2020



TRAD SCAFFOLDING CO. LIMITED

COMPANY INFORMATION

Directors

Dr M Altrad (resigned 9 September 2020)
I M Garcia (resigned 9 September 2020)
R Neilson
D Moore
P McShane
L Huetz (resigned 9 September 2020)
R A Howe
S L Kearney
C G Hayes
J A Fassenfelt (resigned 6 November 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

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 6
Independent auditor's report	7 - 9
Profit and loss account	10
Balance sheet	11
Notes to the financial statements	12 - 26

TRAD SCAFFOLDING CO. LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Introduction

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

Business review

Trading conditions remained competitive for the year ended 31 August 2020. Turnover levels decreased in the year to £15.5 million (2019: £27.1 million) as uncertainty around Brexit impacted market conditions as well as the outbreak of the Coronavirus pandemic.

At the date of signing the accounts, the construction industry has bounced back from the Lockdowns, albeit due to on site restrictions and delays with material deliveries, Customer programmes are taking slightly longer.

Construction in the South of the Country has been more heavily impacted by Brexit and the Lockdowns, which has resulted in project start dates being delayed, however the Directors don't see this as an issue for the long term trading and Going Concern for 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 2020

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 total company level:

- Turnover	£15,536,992
- Gross profit margin	21.7%
- Net profit margin	(14.5%)

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 240% (2019: 321%).

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.

Directors' statement of compliance with duty to promote the success of the company

The directors have acted in a way they consider, in good faith, promotes the success of the group for the benefit of its members as a whole, and in doing so has given regard (amongst other matters) to:

Business relationships

Our strategy and business model are driven by bringing new customers into the company, in order to do this, we need to develop and maintain strong customer relationships and collaborative working relationships with our supply chain.

Our people

The company has people at the forefront of its strategic plans. In order for our business to grow and prosper we continue to invest in and develop our teams, whilst also recruiting new talent for the future. We are also guided by our company values, which help us to achieve our goals in the right way.

Altrad Group

The management team engage openly and regularly with our parent company Altrad. The Group are closely involved in the review and support the delivery of our strategic goals and shared group objectives.

Community and Environment

The company has identified several areas and objectives to create positive change for the people and communities with which we interact.

Engagement with Employees

The company strives to ensure that there is proactive and open communication with all employees regarding any significant matters that affect their current roles and future prospects.

We are committed to ensuring we provide our people with safe working conditions, regularly reviewing procedures and policies which secure and enhance the health and welfare of our employees.

TRAD SCAFFOLDING CO. LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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

DocuSigned by:

Paige Matthews

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P V Matthews

Director

Date: 20 May 2021

TRAD SCAFFOLDING CO. LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The directors present their report and the financial statements for the year ended 31 August 2020.

Directors' responsibilities statement

The directors are 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 £2,106,648 (2019: loss £2,820,962).

The directors do not recommend the payment of a dividend (2019: £Nil).

Directors

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

TRAD SCAFFOLDING CO. LIMITED**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020****Coronavirus**

At the date of signing these financial statements, the UK is coming out of a period of lockdown as a result of the Covid-19 pandemic. The severity and length of the economic downturn is unknown due to the uncertainty of the social distancing measures enforced by the UK government, the company has continued to trade throughout the lockdowns enforced however a notable downturn in trade was identified in April and May 2020. The UK government has announced unprecedented levels of financial support for the economy in the form of grants to retain employees that are furloughed during this time, as well as extensions of time to pay certain taxes that are due. 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. See note 1.2 for further details.

Streamlined Energy and Carbon Reporting (SECR)

Energy consumption used to calculate emissions (kWh) 2,083,054

Scope 1 emissions in metric tonnes CO₂e

Gas consumption	4.52
Vehicle fuel	406.87
Total scope 1	411.39

Scope 2 emissions in metric tonnes CO₂e

Electricity	52.74
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Scope 3 emissions in metric tonnes CO₂e

Electricity transmission	4.54
Cash opt out car travel	1.74
Employee-owned car travel	1.73
Total scope 3	8.01

Total gross emissions in metric tonnes CO₂e 472.14

Intensity ratio tonnes CO₂e per staff numbers 2.16

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per employee, the recommended ratio for the sector.

Measures taken to improve energy efficiency

With regards to steps we are taking as a business, we have now established a team that are responsible for setting objectives and actions to help Trad work towards carbon neutrality.

Strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's Strategic Report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 Schedule 7 to be contained in the directors' report.

TRAD SCAFFOLDING CO. LIMITED


**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

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:

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P V Matthews
Director

Date: 20 May 2021

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 2020, 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 2020 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 4, 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: 21 May 2021

TRAD SCAFFOLDING CO. LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
Turnover	3	15,536,992	27,066,898
Cost of sales		(12,151,721)	(21,832,443)
Gross profit		<u>3,385,271</u>	<u>5,234,455</u>
Administrative expenses		(7,900,032)	(8,427,495)
Other operating income	4	<u>2,207,297</u>	<u>1,136,345</u>
Operating loss	5	(2,307,464)	(2,056,695)
Amounts provided against investments		-	(1,143,347)
Interest receivable and similar income		71,565	66,292
Interest payable and similar charges		(15,567)	(23,624)
Loss on ordinary activities before taxation		<u>(2,251,466)</u>	<u>(3,157,374)</u>
Taxation on loss on ordinary activities	9	<u>144,818</u>	<u>336,412</u>
Loss for the financial year		<u><u>(2,106,648)</u></u>	<u><u>(2,820,962)</u></u>
Retained earnings at the beginning of the year		13,271,563	16,092,525
Loss for the year		<u>(2,106,648)</u>	<u>(2,820,962)</u>
Retained earnings at the end of the year		<u><u>11,164,915</u></u>	<u><u>13,271,563</u></u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss account.

The notes on pages 12 to 26 form part of these financial statements.

TRAD SCAFFOLDING CO. LIMITED
REGISTERED NUMBER: 01031385

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	11	7,780,170	9,680,833
Fixed asset investments	12	-	-
		<u>7,780,170</u>	<u>9,680,833</u>
Current assets			
Debtors: amounts falling due within one year	13	5,818,217	8,792,113
Cash at bank and in hand		<u>3,678,187</u>	<u>810,919</u>
		9,496,404	9,603,032
Creditors: amounts falling due within one year	14	<u>(5,798,924)</u>	<u>(5,785,413)</u>
Net current assets		<u>3,697,480</u>	<u>3,817,619</u>
Total assets less current liabilities		11,477,650	13,498,452
Creditors: amounts falling due after more than one year	15	(74,599)	(21,997)
Provisions for liabilities			
Deferred taxation	16	<u>(127,026)</u>	<u>(93,782)</u>
Net assets		<u><u>11,276,025</u></u>	<u><u>13,382,673</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	<u>11,164,915</u>	<u>13,271,563</u>
Shareholders' funds		<u><u>11,276,025</u></u>	<u><u>13,382,673</u></u>

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

DocuSigned by:

 215DD4AC1010462...
P V Matthews
 Director

Date: 20 May 2021

The notes on pages 12 to 26 form part of these financial statements.

TRAD SCAFFOLDING CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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 2020 (2019: year ended 31 August 2019).

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 23.

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 2020**

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 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure. Government grants relate to the receipt of Coronavirus Job Retention Scheme income which is included within other operating income in the profit and loss account.

1.7 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.

1.8 Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of 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 2020

1. Accounting policies (continued)

1.9 Tangible fixed assets

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

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.

1.10 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.

TRAD SCAFFOLDING CO. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.11 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.

1.12 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.

1.13 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.

1.14 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.

TRAD SCAFFOLDING CO. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.15 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 2020

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 2020

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

	2020 £	2019 £
Government grants receivable	919,858	-
Management charges receivable	1,287,439	1,136,345
	<u>2,207,297</u>	<u>1,136,345</u>

Government grants receivable relates to income received from the Government under the Job Retention Scheme.

TRAD SCAFFOLDING CO. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Operating loss

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

	2020	2019
	£	£
Depreciation of tangible fixed assets owned by the company	2,442,045	1,949,185
Depreciation of tangible fixed assets held under finance lease and hire purchase contracts	338,432	467,865
Operating lease rentals	1,065,349	1,189,370
Difference on foreign exchange	45,410	(3,433)
Profit on disposal of tangible fixed assets	1,636,798	115,928
	<u> </u>	<u> </u>

6. Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	38,500	37,000
	<u> </u>	<u> </u>

7. Employees

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

	2020	2019
	£	£
Wages and salaries	8,625,225	12,182,901
Social security costs	909,699	1,267,878
Pension costs	327,215	355,119
	<u> </u>	<u> </u>
	9,862,139	13,805,898
	<u> </u>	<u> </u>

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

	2020	2019
	No.	No.
Administration	23	28
Operational	22	29
Direct labour	174	237
	<u> </u>	<u> </u>
	219	294
	<u> </u>	<u> </u>

TRAD SCAFFOLDING CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	765,283	993,805
Company contributions to defined contribution pension schemes	31,157	49,117
	<u>796,440</u>	<u>1,042,922</u>

During the year retirement benefits were accruing to 6 directors (2019: 9) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £312,398 (2019: £334,141).

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

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	(209,728)	(93,211)
Adjustments in respect of previous periods	31,666	(7,004)
Total current tax	<u>(178,062)</u>	<u>(100,215)</u>
Deferred tax		
Origination and reversal of timing differences	22,210	(240,560)
Changes to tax rates	11,034	-
Adjustments in respect of prior periods	-	4,363
Total deferred tax	<u>33,244</u>	<u>(236,197)</u>
Taxation on loss on ordinary activities	<u>(144,818)</u>	<u>(336,412)</u>

TRAD SCAFFOLDING CO. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	(2,251,466)	(3,157,374)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(427,779)	(599,901)
Effects of:		
Expenses not deductible for tax purposes	240,261	237,829
Adjustments to tax charge in respect of prior periods	31,666	(7,004)
Adjustment of deferred tax to average rate	11,034	28,301
Adjustment to deferred tax in respect of previous periods	-	4,363
Total tax charge for the year	(144,818)	(336,412)

Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023.

10. Intangible assets

	Goodwill £
Cost	
At 1 September 2019 and 31 August 2020	2,625,000
Amortisation	
At 1 September 2019 and 31 August 2020	2,625,000
Net book value	
At 31 August 2020	-
At 31 August 2019	-

TRAD SCAFFOLDING CO. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. Tangible fixed assets

	Short-term leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 September 2019	71,570	22,955,055	3,109,358	345,484	26,481,467
Additions	-	2,788,729	262,199	10,617	3,061,545
Disposals	-	(5,236,322)	(681,707)	(4,038)	(5,922,067)
At 31 August 2020	71,570	20,507,462	2,689,850	352,063	23,620,945
Depreciation					
At 1 September 2019	17,594	14,140,637	2,400,197	242,206	16,800,634
Charge for the year	10,089	2,230,123	469,476	70,790	2,780,478
Disposals	-	(3,237,521)	(499,485)	(3,331)	(3,740,337)
At 31 August 2020	27,683	13,133,239	2,370,188	309,665	15,840,775
Net book value					
At 31 August 2020	43,887	7,374,223	319,662	42,398	7,780,170
At 31 August 2019	53,976	8,814,418	709,161	103,278	9,680,833

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

	2020 £	2019 £
Motor vehicles	169,981	463,996

TRAD SCAFFOLDING CO. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. Fixed asset investments

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
Cost			
At 1 September 2019 and 31 August 2020	3,151,205	175,000	3,326,205
Impairment			
At 1 September 2019 and 31 August 2020	3,151,205	175,000	3,326,205
Net book value			
At 31 August 2020	-	-	-
At 31 August 2019	-	-	-

The following was a subsidiary undertaking of the company:

Name	Class of shares	Holding	Principal activity
Altrad MTD Limited	Ordinary	100%	Non-trading

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 2020**

13. Debtors

	2020 £	2019 £
Trade debtors	2,072,253	4,144,167
Amounts owed by group undertakings	3,366,390	3,632,821
Other debtors	185,063	690,341
Prepayments and accrued income	194,511	324,784
	<u>5,818,217</u>	<u>8,792,113</u>

An impairment gain of £69,663 (2019: £393,610 loss) was recognised in administrative expenses against trade debtors during the year.

14. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	853,953	1,306,038
Amounts owed to group undertakings	2,197,417	2,034,364
Taxation and social security	1,299,627	420,912
Net obligations under finance lease and hire purchase contracts	148,963	417,536
Other creditors	159,825	101,282
Accruals and deferred income	1,139,139	1,505,281
	<u>5,798,924</u>	<u>5,785,413</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

	2020 £	2019 £
Net obligations under finance leases and hire purchase contracts	<u>74,599</u>	<u>21,997</u>

TRAD SCAFFOLDING CO. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

16. Deferred taxation

	2020 £
At 1 September 2019	93,782
Charged to the profit and loss account	33,244
At 31 August 2020	127,026

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	183,653	305,020
Short term timing differences	(56,627)	(211,238)
	<u>127,026</u>	<u>93,782</u>

17. Share capital

	2020 £	2019 £
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 2020, amounts owed to these suppliers totalled £611,325 (2019: £944,036).

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 (2019: £Nil).

TRAD SCAFFOLDING CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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. Contributions totalling £11,925 (2019: £30,486) were payable to the fund at the balance sheet date and are included in creditors.

21. Operating lease commitments

At 31 August 2020 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	1,365,516	905,492
Later than 1 year and not later than 5 years	3,202,995	2,497,244
Later than 5 years	715,000	-
	<u>5,283,511</u>	<u>3,402,736</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:

	2020 £	2019 £
Sales	800,041	76,849
Purchases	1,595,146	1,422,683
Interest received	65,527	65,348
Amounts owed from group entities under common control	2,293,805	2,226,437
Amounts owed to group entities under common control	<u>78,630</u>	<u>866,057</u>

23. 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.