

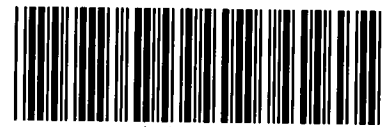
Registered number: 03491083

TRAD HIRE & SALES LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

TUESDAY



ACZ8IMNL

A05

19/03/2024

#247

COMPANIES HOUSE

TRAD HIRE & SALES LIMITED

COMPANY INFORMATION

Directors	C Dobson D Moore (resigned 31 May 2023) M Muggleton
Registered number	03491083
Registered office	Trad Scaffolding Albion Road Dartford Kent DA1 5PZ
Independent auditor	Cooper Parry Group Limited Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

TRAD HIRE & SALES LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 5
Independent auditor's report	6 - 9
Profit and loss account	10
Balance sheet	11
Statement of changes in equity	12
Notes to the financial statements	13 - 30

TRAD HIRE & SALES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2023

Introduction

The company's principal activity is the hire and sale of scaffolding and related plant and equipment.

Business review

Turnover of £58.5 million was achieved in the year ended 31 August 2023 (2022: £68.9 million), with the company remaining competitive in a market experiencing price fluctuations and a shift in customer demand from sales to hire.

The Directors have remained focussed on controlling cost during the year, resulting in a gross profit of £18.5 million (2022: £21.9 million) and an operating profit of £7.9 million (2022: £9.8 million) before exceptional items.

Principal risks and uncertainties

We consider the principal risks and uncertainties facing the business to be the general economic climate, competitor actions and the threat of bad debts. These risks are managed by maintaining a wide and diverse customer base throughout the country.

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 key performance indicators

We consider our key performance indicators to be turnover and gross profit margin. These are monitored and reviewed at both depot and company level.

Gross profit margin of 31.5% (2022: 31.8%) was achieved against a turnover of £58.5m (2022: £68.9m) with net profit margin of 13.1% (2022: 13.7%) excluding exceptional items.

Stock utilisation and debtor performance are also regularly reviewed and have met targeted levels.

TRAD HIRE & SALES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

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.

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

DocuSigned by:

A9B5187B8264460...
M Muggleton
Director

Date: 08 March 2024

TRAD HIRE & SALES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

The directors present their report and the financial statements for the year ended 31 August 2023.

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 profit for the year, after taxation, amounted to £5,925,581 (2022: £1,866,650).

During the year, total dividends paid amounted to £Nil (2022: £Nil). The directors do not recommend the payment of any dividends after the year end.

Directors

The directors who served during the year were:

C Dobson
D Moore (resigned 31 May 2023)
M Muggleton

TRAD HIRE & SALES LIMITED**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023****Streamlined Energy and Carbon Reporting (SECR)**

UK Greenhouse gas emissions and energy use data for the year ended 31 August 2023.

	2023	2022
Energy consumption used to calculate emissions (kWh)	5,457,920	6,273,135
Scope 1 emissions in metric tonnes CO ₂ e		
Gas consumption	24.73	24.68
Vehicle fuel	1,128.80	1,169.16
Total scope	1,153.52	1,193.84
Scope 2 emissions in metric tonnes CO ₂ e		
Electricity	89.48	150.87
Scope 3 emissions in metric tonnes CO ₂ e		
Electricity transmission	7.74	13.80
Hire cars	1.49	17.58
Total scope	9.23	31.38
Total gross emissions in metric tonnes CO ₂ e	1,252.2	1,376.1
Intensity ratio tonnes CO ₂ e per staff numbers	6.96	8.14

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 2023 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 us 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.

Qualifying third party indemnity provisions

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

TRAD HIRE & SALES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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:
Matthew Muggleton
A9B5187B8264460...

M Muggleton
Director

Date: 08 March 2024

TRAD HIRE & SALES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAD HIRE & SALES LIMITED

Opinion

We have audited the financial statements of Trad Hire & Sales Limited (the 'company') for the year ended 31 August 2023, which comprise the profit and loss account, the balance sheet, the statement of changes in equity 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 2023 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

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

TRAD HIRE & SALES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAD HIRE & SALES LIMITED (CONTINUED)

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out 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.

TRAD HIRE & SALES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAD HIRE & SALES LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

Our assessment focused on key laws and regulations the entity has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but were not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- obtaining and understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and through walkthrough testing;
- an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment; and
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias, specifically the carrying value of fixed assets and investments and the calculation of the stock provision.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management and solicitors used in the year as to actual and potential litigation and claims, as well as reviewing legal and professional expenses and board minutes; and
- reviewing correspondence with HMRC and associated parties.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

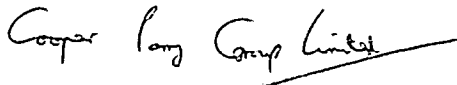
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

TRAD HIRE & SALES LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAD HIRE & SALES LIMITED
(CONTINUED)**

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.

A handwritten signature in black ink, appearing to read 'Daniel Parker', with a long horizontal line extending to the right.

Daniel Parker (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Statutory Auditor

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

Date: 11 March 2024

TRAD HIRE & SALES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Turnover	3	58,546,329	68,883,408
Cost of sales		(40,083,681)	(46,981,823)
Gross profit		18,462,648	21,901,585
Administrative expenses		(10,481,728)	(12,085,308)
Exceptional administrative expenses	4	-	(5,940,575)
Total administration expenses		(10,481,728)	(18,025,883)
Other operating income	5	-	108,943
Operating profit	6	7,980,920	3,984,645
Interest receivable and similar income		45,188	9,321
Interest payable and similar expenses	10	(355,093)	(356,695)
Profit before tax		7,671,015	3,637,271
Taxation on profit	11	(1,745,434)	(1,770,621)
Profit for the financial year		5,925,581	1,866,650

There were no recognised gains and losses for 2023 or 2022 other than those included in the profit and loss account.

The notes on pages 13 to 30 form part of these financial statements.

TRAD HIRE & SALES LIMITED
REGISTERED NUMBER: 03491083

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	12	39,465	19,403
Tangible assets	13	28,988,391	28,452,420
Investments	14	31,836,644	31,887,069
		<u>60,864,500</u>	<u>60,358,892</u>
Current assets			
Stocks	15	6,200,402	7,663,162
Debtors: amounts falling due within one year	16	17,281,611	17,136,863
Cash at bank and in hand		16,032,942	14,755,940
		<u>39,514,955</u>	<u>39,555,965</u>
Creditors: amounts falling due within one year	17	<u>(64,103,493)</u>	<u>(69,001,509)</u>
Net current liabilities		<u>(24,588,538)</u>	<u>(29,445,544)</u>
Total assets less current liabilities		<u>36,275,962</u>	<u>30,913,348</u>
Creditors: amounts falling due after more than one year	18	(301,909)	(559,923)
Provisions for liabilities			
Provisions	20	(101,651)	(406,604)
Net assets		<u>35,872,402</u>	<u>29,946,821</u>
Capital and reserves			
Called up share capital	21	5,291	5,291
Share premium account	22	430,184	430,184
Capital redemption reserve	22	601,495	601,495
Profit and loss account	22	34,835,432	28,909,851
Shareholders' funds		<u>35,872,402</u>	<u>29,946,821</u>

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

DocuSigned by:

A9B5167B8264460...
M Muggleton
Director

Date: 08 March 2024

The notes on pages 13 to 30 form part of these financial statements.

TRAD HIRE & SALES LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2023**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 September 2022	5,291	430,184	601,495	28,909,851	29,946,821
Profit for the year	-	-	-	5,925,581	5,925,581
At 31 August 2023	5,291	430,184	601,495	34,835,432	35,872,402

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2022**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 September 2021	5,291	430,184	601,495	27,043,201	28,080,171
Profit for the year	-	-	-	1,866,650	1,866,650
At 31 August 2022	5,291	430,184	601,495	28,909,851	29,946,821

The notes on pages 13 to 30 form part of these financial statements.

TRAD HIRE & SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies

Trad Hire & Sales 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 2023 (2022: year ended 31 August 2022).

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 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of 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's accounting policies. The areas involving a higher degree of judgement or complexity or areas where 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 Going concern

At the balance sheet date the company had a cash balance of £16,032,942, net current liabilities of £24,588,538 and net assets of £35,872,402.

The net current liability position is driven by an intercompany loan of £31,122,522 from the parent undertaking, who have agreed to support the company's future trading and have confirmed that they will not request repayment of the amounts outstanding at the year end unless working capital allows for this.

Based on the financial forecasts prepared by the directors the company will be able to operate within the facilities available to it. On that basis, the directors have prepared these financial statements on a going concern basis.

1.3 Disclosure 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 Investment Authority SAS. The group accounts of Altrad Participations are available to the public and can be obtained as set out in note 26.

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 401 of the Companies Act 2006 as it is a subsidiary undertaking of Altrad Investment Authority SAS, and is included in the consolidated accounts of that company.

TRAD HIRE & SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

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:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Hire of fixed assets

Turnover from the hire of stock is recognised when the amount of turnover can be measured reliably; it is probable that the company will receive the consideration due under the transaction; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Turnover also includes the sales of items from the fixed asset hire fleet, and charges levied on customers for damaged or lost hire equipment.

1.6 Investments

Investments in subsidiaries and associated undertakings 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 HIRE & SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

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:

Long-term leasehold property	- over the term of the lease
Short-term leasehold property	- over the term of the lease
improvements	
Plant and machinery	- 3-14 years straight line
Motor vehicles	- 4-5 years straight line
Fixtures, fittings and equipment	- 3-5 years 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 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised on a straight line basis to the profit and loss account over their useful economic life of 3 years.

TRAD HIRE & SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to sell. Cost is based on the cost of purchase on a weighted average basis.

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

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 period of the lease.

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 HIRE & SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

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 into account the risks and uncertainties surrounding the obligation.

1.14 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.

1.15 Current and deferred taxation

The tax charge for the year is comprised of 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.

1.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

TRAD HIRE & SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

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

The directors make 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. In preparing these financial statements the directors have made the following judgements:

Impairment of fixed assets

The directors assess the impairment of tangible fixed assets and 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 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.

Carrying value of stocks

The directors review the market value of and demand for its stocks on a periodic basis to ensure stock is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value of stocks. The directors use their knowledge of market conditions, historical experiences and estimates of future events to assess future demand for the company's products and achievable selling prices.

TRAD HIRE & SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

3. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Sale of goods	33,676,093	45,139,758
Hire of fixed assets	23,972,248	22,859,608
Haulage	897,988	884,042
	<u>58,546,329</u>	<u>68,883,408</u>

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	56,948,508	67,640,069
Rest of Europe	1,575,350	1,219,956
Rest of the World	22,471	23,383
	<u>58,546,329</u>	<u>68,883,408</u>

4. Exceptional items

	2023 £	2022 £
Fixed asset investment impairment	-	5,940,575
	<u>-</u>	<u>5,940,575</u>

5. Other operating income

	2023 £	2022 £
Research & development expenditure credit	-	108,943
	<u>-</u>	<u>108,943</u>

TRAD HIRE & SALES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023****6. Operating profit**

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

	2023 £	2022 £
Depreciation of tangible fixed assets	6,360,769	6,019,413
Depreciation of tangible fixed assets held under finance and hire purchase leases	243,356	408,162
Profit on disposal of tangible fixed assets	(120,986)	(26,629)
Plant and machinery operating lease rentals	170,694	161,801
Other operating lease rentals	1,326,988	1,035,765
Foreign currency loss/(gain)	19,715	(88,573)
	<u> </u>	<u> </u>

7. Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and its associates for the audit of the company's financial statements	65,410	59,350
Fees payable to the company's auditor and its associates in respect of: Other services relating to research and development	-	12,500
	<u> </u>	<u> </u>

8. Employees

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

	2023 £	2022 £
Wages and salaries	8,207,777	8,211,777
Social security costs	538,170	633,343
Pension costs	338,653	308,053
	<u>9,084,600</u>	<u>9,153,173</u>

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

	2023 No.	2022 No.
Administration	58	45
Operational	22	22
Direct labour	100	102
	<u>180</u>	<u>169</u>

TRAD HIRE & SALES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023****9. Directors' remuneration**

	2023	2022
	£	£
Directors' emoluments	240,975	234,776
Company contributions to defined contribution pension schemes	15,650	10,317
Compensation for loss of office as director	305,665	-
	<u>562,290</u>	<u>245,093</u>

During the year retirement benefits were accruing to 2 directors (2022: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £305,665 (2022: £216,010).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2022 :£7,650).

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

10. Interest payable and similar expenses

	2023	2022
	£	£
Other interest	11,506	-
Interest on loans from group undertakings	318,714	318,714
Interest on finance leases and hire purchase contracts	24,873	37,981
	<u>355,093</u>	<u>356,695</u>

TRAD HIRE & SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

11. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	1,661,125	1,953,865
Adjustments in respect of previous periods	-	(26,971)
Total current tax	<u>1,661,125</u>	<u>1,926,894</u>
Deferred tax		
Origination and reversal of timing differences	(18,050)	(165,340)
Changes to tax rates	-	(17,638)
Adjustment in respect of prior periods	102,359	26,705
Total deferred tax	<u>84,309</u>	<u>(156,273)</u>
Taxation on profit	<u>1,745,434</u>	<u>1,770,621</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023 £	2022 £
Profit before tax	<u>7,671,015</u>	<u>3,637,271</u>
Profit multiplied by standard rate of corporation tax in the UK of 21.5% (2022: 19%)	1,649,268	691,081
Effects of:		
Expenses not deductible for tax purposes	40,371	17,127
Adjustments to tax charge in respect of prior periods	58,311	(266)
Adjustment of tax rates	(2,516)	(57,320)
Fixed asset investment impairment	-	1,128,710
Research and development expenditure tax credits	-	(8,711)
Total tax charge for the year	<u>1,745,434</u>	<u>1,770,621</u>

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. This was substantively enacted on 24 May 2021. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at the balance sheet date. As such, the deferred tax rate applicable at 31 August 2022 is 25% and deferred tax has been re-measured at this rate.

TRAD HIRE & SALES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

12. Intangible assets

	Software £	Goodwill £	Total £
Cost			
At 1 September 2022	33,768	62,082	95,850
Additions	30,959	-	30,959
At 31 August 2023	<u>64,727</u>	<u>62,082</u>	<u>126,809</u>
Amortisation			
At 1 September 2022	14,365	62,082	76,447
Charge for the year	10,897	-	10,897
At 31 August 2023	<u>25,262</u>	<u>62,082</u>	<u>87,344</u>
Net book value			
At 31 August 2023	<u>39,465</u>	<u>-</u>	<u>39,465</u>
At 31 August 2022	<u>19,403</u>	<u>-</u>	<u>19,403</u>

TRAD HIRE & SALES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

13. Tangible fixed assets

	Long-term leasehold property £	Short-term leasehold property improvements £	Plant and machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost						
At 1 September 2022	1,059,098	105,561	50,110,421	2,910,410	604,753	54,790,243
Additions	-	49,789	13,708,781	-	15,038	13,773,608
Disposals	(337,390)	-	(12,623,036)	(444,924)	(742)	(13,406,092)
At 31 August 2023	721,708	155,350	51,196,166	2,465,486	619,049	55,157,759
Depreciation						
At 1 September 2022	217,411	49,964	23,455,549	2,163,915	450,984	26,337,823
Charge for the year	24,451	8,732	6,266,088	247,666	57,188	6,604,125
Disposals	(137,390)	-	(6,191,805)	(442,643)	(742)	(6,772,580)
At 31 August 2023	104,472	58,696	23,529,832	1,968,938	507,430	26,169,368
Net book value						
At 31 August 2023	617,236	96,654	27,666,334	496,548	111,619	28,988,391
At 31 August 2022	841,687	55,597	26,654,872	746,495	153,769	28,452,420

TRAD HIRE & SALES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

13. Tangible fixed assets (continued)

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

	2023 £	2022 £
Motor vehicles	497,546	746,167
	<u>497,546</u>	<u>746,167</u>

14. Fixed asset investments

	Investments in subsidiary undertakings £	Investments in associated entity £	Other fixed asset investments £	Total £
Cost				
At 1 September 2022	45,218,879	1,701,011	225,000	47,144,890
At 31 August 2023	<u>45,218,879</u>	<u>1,701,011</u>	<u>225,000</u>	<u>47,144,890</u>
Impairment				
At 1 September 2022	15,032,821	-	225,000	15,257,821
Charge for the period	50,425	-	-	50,425
At 31 August 2023	<u>15,083,246</u>	<u>-</u>	<u>225,000</u>	<u>15,308,246</u>
Net book value				
At 31 August 2023	<u>30,135,633</u>	<u>1,701,011</u>	<u>-</u>	<u>31,836,644</u>
At 31 August 2022	<u>30,186,058</u>	<u>1,701,011</u>	<u>-</u>	<u>31,887,069</u>

TRAD HIRE & SALES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023****14. Fixed asset investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Trad Hire & Sales (Scotland) Limited	Dormant	Ordinary	100%
Trad Hire & Sales (Northern)) Limited	Dormant	Ordinary	100%
Trad Hire & Sales (Midlands) Limited	Dormant	Ordinary	100%
Trad Safety Systems Limited	Dormant	Ordinary	100%
Trad Group Limited	Dormant	Ordinary	100%
Trad Scaffolding Co. Limited*	Scaffolding contractors	Ordinary	100%
Altrad MTD Limited*	Dormant	Ordinary	100%

*These companies are indirectly owned by Trad Hire & Sales Limited.

The country of incorporation for all subsidiaries is England and Wales.

The registered office of all subsidiaries is the same as the registered office of Trad Hire & Sales Limited, except Trad Hire & Sales (Scotland) Limited which is 244 Bernard Street, Glasgow, Lanarkshire, G40 3NX.

Associated undertakings

The following was an associate of the company:

Name	Registered office	Class of shares	Holding
Dessa Limited	Per below	Ordinary	44%

The registered office of Dessa Limited is Trinity Street, Off Tat Bank Road, Oldbury, West Midlands, B69 4LA. The principal activity is the development of building projects.

Post year end Trad Hire and Sales Limited purchased a further 6 Ordinary shares at £1 each in Dessa Limited for consideration of £936,618 increasing their shareholding to 44%.

15. Stocks

	2023 £	2022 £
Goods for resale	6,200,402	7,663,162
	<u>6,200,402</u>	<u>7,663,162</u>

TRAD HIRE & SALES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

16. Debtors

	2023	2022
	£	£
Trade debtors	9,033,383	11,699,453
Amounts owed by group undertakings	4,629,423	4,059,626
Corporation tax recoverable	2,842,997	444,149
Prepayments and accrued income	574,500	648,018
Deferred taxation (note 19)	201,308	285,617
	<u>17,281,611</u>	<u>17,136,863</u>

An impairment loss of £866,101 (2022: £722,599) was recognised in administrative expenses against trade debtors during the year.

17. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	11,684,457	13,055,192
Amounts owed to group undertakings	49,138,582	47,819,366
Other taxation and social security	810,818	1,992,783
Obligations under finance lease and hire purchase contracts	258,025	321,524
Accruals and deferred income	2,211,611	5,812,644
	<u>64,103,493</u>	<u>69,001,509</u>

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

Amounts owed to group undertakings are repayable on demand.

TRAD HIRE & SALES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

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

	2023 £	2022 £
Net obligations under finance leases and hire purchase contracts	301,909	559,923
	<u>301,909</u>	<u>559,923</u>

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

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	258,025	321,524
Between 1-5 years	301,909	559,923
	<u>559,934</u>	<u>881,447</u>

19. Deferred taxation

	2023 £	2022 £
At beginning of year	285,617	129,344
Charged to profit or loss	(84,309)	156,273
At end of year	<u>201,308</u>	<u>285,617</u>

The deferred tax asset is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	107,476	144,526
Short term timing differences	93,832	141,091
	<u>201,308</u>	<u>285,617</u>

TRAD HIRE & SALES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023****20. Provisions**

	Restructuring provision £
At 1 September 2022	406,604
Utilised in year	(304,953)
At 31 August 2023	101,651

Where there is a change in management as a result of a restructuring programme, the company provides for all payments which have been contractually agreed. The restructuring provision relates to the elimination of a management role and will be in place until 31 December 2023. The exit date was notified prior to 31 August 2022.

21. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
507,354 Ordinary shares of £0.01 each	5,074	5,074
21,730 Ordinary B shares of £0.01 each	217	217
	<u>5,291</u>	<u>5,291</u>

All shares rank pari passu. The holders of the ordinary shares and ordinary B shares are entitled to participate in dividends or other distributions determined by the directors and approved by the group and for this purpose shall not be treated as one class so that a dividend or distribution may be declared on one class to the exclusion of the others and differing amounts may be declared in respect of each class.

22. Reserves**Share premium account**

The share premium account includes any premiums received on the issue of share capital above its nominal value. Any transaction costs associated with the issuing of shares are deducted from share premium.

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.

TRAD HIRE & SALES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023****23. 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 8.

The amount owing at the year end in respect of such contributions amounted to £40,401 (2022: £88,487) and is included in creditors.

24. Commitments under operating leases

At 31 August 2023 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	832,501	771,008
Later than 1 year and not later than 5 years	2,637,603	2,277,886
Later than 5 years	4,150,593	4,470,900
	<u>7,620,697</u>	<u>7,519,794</u>

25. Related party transactions

The key management personnel are considered to be employees, including the directors, who have authority and responsibility for planning, directing and controlling the activities of the company. Remuneration of £656,981 (2022: £427,840) was paid to key management personnel, during the year.

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

	2023 £	2022 £
Sales	1,565,294	1,244,986
Purchases	8,909,053	12,895,016
Management fees	1,177,762	1,611,931
Interest payable	318,714	318,714
Amounts owed to group companies under common control	786,228	220,337
Amounts owed from group companies under common control	<u>30,407,248</u>	<u>34,640,662</u>

26. Controlling party

The company's immediate parent company is Altrad Investment Authority SAS.

The company's ultimate parent undertaking and controlling party is Altrad Participations, a company incorporated in France. Altrad Participations is controlled by Dr M Altrad by virtue of his majority shareholding.

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