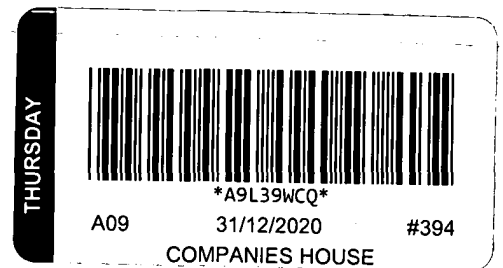

TRAD PROPERTIES LLP

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019



TRAD PROPERTIES LLP

INFORMATION

Designated Members

C H Smith

J Walker

The Trustees of the TRAD Scaffolding Co (H F Smith) FURBS

LLP registered number

OC371038

Registered office

Haslars, Old Station Road, Loughton, Essex, IG10 4PL

Trading address

The Firs, 9 Little Plucketts Way, Buckhurst Hill, Essex, IG9 5QU

Independent auditors

Haslars, Old Station Road, Loughton, Essex, IG10 4PL

TRAD PROPERTIES LLP

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TRAD PROPERTIES LLP

MEMBERS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2019

The members present their annual report together with the audited financial statements of TRAD Properties LLP (the "LLP and the Group") for the year ended 30 November 2019. The accounts have been prepared in Pound Sterling which is the presentational currency of the LLP and the Group, and have been rounded to the nearest £1.

Principal activities

The LLP and the Group operate in various sectors including property investment, oil & gas, renewables and infrastructure.

Designated Members

C. H. Smith, J. Walker and The Trustees of the TRAD Scaffolding Co (H. F. Smith) FURBS were designated members of the LLP and the Group throughout the period.

Members' capital and interests

Each member's subscription to the capital of the LLP is determined by their share of the profit and is repayable following retirement from the LLP.

Details of changes in members' capital in the year ended 30 November 2019 are set out in the financial statements.

Members are remunerated from the profits of the LLP and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between members after finalisation of the financial statements. Members draw a proportion of their profit shares monthly during the year in which it is made, with the balance of profits being distributed after the year, subject to the cash requirements of the business.

Post Balance Sheet Events

Two of the Group's subsidiaries, Texo Compliance Limited and Texo Marine Limited ceased trading post year end. The Group acquired the remaining 20% non-controlling interest shareholding in Texo Group Limited for £200,000 after the year end.

Property interests of the group have not been impacted by Covid-19, however similar to other entities, there has been an impact on the Texo Group. The members have confirmed that they will continue supporting the Group. The members have made a long term investment in the Texo Group and are confident of the long term prospects, and it is considered that the impact of Covid-19 will not affect the long term prospects.

Future Developments

Since December 2019 the LLP has taken over the daily management and reorganisation of the Group, parting with the senior personnel and minority shareholders in the former Texo Group subsidiaries. C. H. Smith has taken on the Managing Director role and major changes have been implemented and further are in progress.

TRAD PROPERTIES LLP

**MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2019**

Disclosure of information to auditors

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

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

This report was approved by the members on 11 December 2020 and signed on their behalf by:



The Trustees of the TRAD Scaffolding Co (H F Smith) FURBS

TRAD PROPERTIES LLP

MEMBERS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2019

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

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the members 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, as applied to LLPs, the members 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 LLP and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and the Group and to enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TRAD PROPERTIES LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRAD PROPERTIES LLP

Opinion

We have audited the financial statements of TRAD Properties LLP (the 'parent LLP') and its subsidiaries (the 'Group') for the year ended 30 November 2019, which comprise the Group Statement of comprehensive income, the Group and LLP Balance sheets, the Group Statement of cash flows, the Group and LLP 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 Group's and of the parent LLP's affairs as at 30 November 2019 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent LLP's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The members are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and 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, if



TRAD PROPERTIES LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRAD PROPERTIES LLP (CONTINUED)

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.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent LLP financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the Members' responsibilities statement on page 3, the members 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 members 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 members are responsible for assessing the Group's and the parent LLP'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 members either intend to liquidate the Group or the parent LLP or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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.

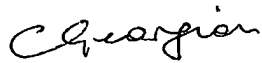
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

TRAD PROPERTIES LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRAD PROPERTIES LLP (CONTINUED)

Use of our report

This report is made solely to the LLP's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an Auditors' 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 LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.



Christina Georgiou (Senior statutory auditor)

for and on behalf of
Haslers

Chartered Accountants
Statutory Auditor

Old Station Road
Loughton
Essex
IG10 4PL

11 December 2020

TRAD PROPERTIES LLP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2019

	Note	2019 £	2018 £
Turnover		8,336,216	955,871
Cost of sales		(5,563,067)	(77,988)
Gross profit		2,773,149	877,883
Administrative expenses		(5,882,027)	(31,245)
Other operating income		-	6,963,640
Operating (loss)/profit		(3,108,878)	7,810,278
Amounts written off investments		(1,998,773)	-
Interest receivable and similar income	8	53,318	44,529
Interest payable and expenses		(107)	-
(Loss)/profit before tax		(5,054,440)	7,854,807
Tax on (loss)/profit		123,929	(1,569,744)
(Loss)/profit before members' remuneration and profit shares available for discretionary division among members		(4,930,511)	6,285,063
(Loss)/profit for the year before members' remuneration and profit shares		(4,930,511)	6,285,063
Non-controlling interests		743,424	-
(Loss)/profit for the financial year available for discretionary division among members		(4,187,087)	6,285,063
Profit for the year attributable to:			
Non-controlling interest		(743,424)	-
Owners of the parent LLP		(4,187,087)	6,285,063
		(4,930,511)	6,285,063

There was no other comprehensive income for 2019(2018:£NIL).

The notes on pages 16 to 32 form part of these financial statements.

TRAD PROPERTIES LLP
REGISTERED NUMBER: OC371038

CONSOLIDATED BALANCE SHEET
AS AT 30 NOVEMBER 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	12		1,233,067	-	-
Tangible assets	13		1,416,113	-	-
Investment property	15		12,611,488	11,798,049	
			<u>15,260,668</u>	<u>11,798,049</u>	
Current assets					
Stocks	16	50,939	-	-	-
Debtors: amounts falling due within one year	17	13,094,010	8,071,330		
Cash at bank and in hand	18	13,856,232	21,048,315		
		<u>27,001,181</u>	<u>29,119,645</u>		
Creditors: amounts falling due within one year	19	(10,620,436)	(3,577,400)		
Net current assets			<u>16,380,745</u>	<u>25,542,245</u>	
Total assets less current liabilities			<u>31,641,413</u>	<u>37,340,294</u>	
Creditors: amounts falling due after more than one year	20		(10,872,039)	(10,774,800)	
Net assets			<u><u>20,769,374</u></u>	<u><u>26,565,494</u></u>	
Capital and reserves					
Members' other interests					
Members' capital classified as equity		13,522,653	13,534,559		
Other reserves classified as equity		8,855,753	13,030,935		
	23		<u>22,378,406</u>	<u>26,565,494</u>	
Non-controlling interest			(1,609,032)	-	
			<u><u>20,769,374</u></u>	<u><u>26,565,494</u></u>	
Total members' interests					
Members' other interests	23		<u>22,378,406</u>	<u>26,565,494</u>	
			<u><u>22,378,406</u></u>	<u><u>26,565,494</u></u>	



TRAD PROPERTIES LLP
REGISTERED NUMBER: OC371038

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 NOVEMBER 2019

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 11 December 2020.

Two handwritten signatures in black ink. The first signature is a stylized 'H' or 'A' with a dot. The second signature is a cursive 'S' followed by a horizontal line.

The Trustees of the TRAD Scaffolding Co (H F Smith) FURBS
Designated member

The notes on pages 16 to 32 form part of these financial statements.

TRAD PROPERTIES LLP
REGISTERED NUMBER: OC371038

LLP BALANCE SHEET
AS AT 30 NOVEMBER 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Investments	14		25,000,000		25,000,000
			<u>25,000,000</u>		<u>25,000,000</u>
Current assets					
Debtors: amounts falling due within one year	17	980,235		982,230	
Cash at bank and in hand	18	38,501		38,408	
		<u>1,018,736</u>		<u>1,020,638</u>	
Creditors: amounts falling due within one year	19	(1,721,283)		(1,711,279)	
Net current liabilities			<u>(702,547)</u>		<u>(690,641)</u>
Total assets less current liabilities			<u>24,297,453</u>		<u>24,309,359</u>
Creditors: amounts falling due after more than one year	20		(10,774,800)		(10,774,800)
Net assets			<u><u>13,522,653</u></u>		<u><u>13,534,559</u></u>

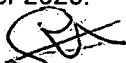


TRAD PROPERTIES LLP
REGISTERED NUMBER: OC371038

LLP BALANCE SHEET (CONTINUED)
AS AT 30 NOVEMBER 2019

	30 November 2019 £	As restated 30 November 2018 £
Note		
Represented by:		
Members' other interests		
Members' capital classified as equity	13,522,653	13,534,559
Loss for the year available for discretionary division among members	(11,906)	(1,877)
Other movements in other reserves	11,906	1,877
	<u>13,522,653</u>	<u>13,534,559</u>
	<u>13,522,653</u>	<u>13,534,559</u>
Total members' interests		
Members' other interests	13,522,653	13,534,559
	<u>13,522,653</u>	<u>13,534,559</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 11 December 2020.

H. 

The Trustees of the TRAD Scaffolding Co (H F Smith) FURBS
Designated member

The notes on pages 16 to 32 form part of these financial statements.

TRAD PROPERTIES LLP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2019

	Members capital (classified as equity) £	Other reserves £	Equity attributable to members £	Non- controlling interests £	Total equity £
At 1 December 2018	13,534,559	13,030,935	26,565,494	-	26,565,494
Comprehensive income for the year					
Loss for year for discretionary division among members	-	(4,187,087)	(4,187,087)	(743,424)	(4,930,511)
Allocated loss	(11,906)	11,906	-	-	-
Total comprehensive income for the year	(11,906)	(4,175,181)	(4,187,087)	(743,424)	(4,930,511)
Contributions by and distributions to members					
Acquired on acquisition	-	-	-	(865,608)	(865,608)
Total transactions with members	-	-	-	(865,608)	(865,608)
At 30 November 2019	13,522,653	8,855,754	22,378,407	(1,609,032)	20,769,375

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2018

	Members capital (classified as equity) £	Other reserves £	Equity attributable to members £	Total equity £
At 1 December 2017	13,536,436	6,743,995	20,280,431	20,280,431
Comprehensive income for the year				
Profit for year for discretionary division among members	-	6,285,063	6,285,063	6,285,063
Allocated loss	(1,877)	1,877	-	-
At 30 November 2018	13,534,559	13,030,935	26,565,494	26,565,494

The notes on pages 16 to 32 form part of these financial statements.



TRAD PROPERTIES LLP

**LLP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2019**

	members' capital (classified as equity) £	Other reserves £	Total equity £
At 1 December 2018	13,534,559	-	13,534,559
Comprehensive income for the year			
Loss for year for discretionary division among members	-	(11,906)	(11,906)
Allocated loss	(11,906)	11,906	-
Other comprehensive income for the year	(11,906)	11,906	-
Total comprehensive income for the year	(11,906)	-	(11,906)
At 30 November 2019	13,522,653	-	13,522,653

**LLP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2018**

	members' capital (classified as equity) £	Other reserves £	Total equity £
At 1 December 2017	13,536,436	-	13,536,436
Comprehensive income for the year			
Loss for year for discretionary division among members	-	(1,877)	(1,877)
Allocated loss	(1,877)	1,877	-
Other comprehensive income for the year	(1,877)	1,877	-
Total comprehensive income for the year	(1,877)	-	(1,877)
At 30 November 2018	13,534,559	-	13,534,559

The notes on pages 16 to 32 form part of these financial statements.

TRAD PROPERTIES LLP

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 NOVEMBER 2019

	2019 £	2018 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(4,187,087)	6,285,063
Adjustments for:		
Amortisation of intangible assets	259,682	-
Depreciation of tangible assets	108,784	-
Profit on disposal of tangible assets	-	(6,963,640)
Interest paid	107	(66,862)
Interest received	(53,318)	(44,529)
Taxation charge	(123,929)	-
(Increase)/decrease in stocks and work in progress	(2,899,299)	-
(Increase) in debtors	(2,396,520)	(7,089,101)
Increase in creditors	598,969	1,130,562
Corporation tax received/(paid)	266,106	(1,569,744)
Impairment of intangible assets	1,969,682	-
Net cash generated from operating activities before transactions with members	(6,456,823)	(8,318,251)
Cash flows from investing activities		
Purchase of investment properties	(813,439)	(783,189)
Sale of investment properties	-	30,000,000
Interest received	53,318	44,529
Net cash from investing activities	(760,121)	29,261,340

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TRAD PROPERTIES LLP

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2019**

	2019 £	2018 £
Cash flows from financing activities		
Interest paid	(107)	66,862
Net cash used in financing activities	<u>(107)</u>	<u>66,862</u>
Net (decrease)/increase in cash and cash equivalents	<u>(7,217,051)</u>	<u>21,009,951</u>
Cash and cash equivalents at beginning of year	21,048,315	38,364
Cash and cash equivalents at the end of year	<u><u>13,831,264</u></u>	<u><u>21,048,315</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	13,856,232	21,048,315
Bank overdrafts	(24,968)	-
	<u><u>13,831,264</u></u>	<u><u>21,048,315</u></u>

The notes on pages 16 to 32 form part of these financial statements.

TRAD PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2019

1. General information

Trad Properties LLP is limited liability partnership incorporated in England and Wales, United Kingdom, with a registration number OC371038. The address of the registered office is Old Station Road, Loughton, Essex, IG10 4PL

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The LLP has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the LLP and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.



TRAD PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2019

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

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

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group 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.

Rendering of services

Revenue 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 revenue can be measured reliably;
- it is probable that the Group 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.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019

2. Accounting policies (continued)

2.7 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss 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 Group in independently administered funds.

2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the LLP and the Group operate and generate income.

2.9 Intangible assets

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 the Group's share 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 Consolidated statement of comprehensive income over its useful economic life.

Other 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.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.



TRAD PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2019

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

S/Term Leasehold Property	-	10%
Plant and machinery	-	20%
Motor vehicles	-	25% Reducing balance
Fixtures and fittings	-	25%
Other fixed assets	-	25%

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 profit or loss.

2.11 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.12 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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 profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019

2. Accounting policies (continued)

2.14 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

In applying the Group's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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

Management considers that there are no judgments that have been made in the process of applying the entity's accounting policies that have a significant effect on the financial statements. Furthermore, management considers that there are no areas of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.



TRAD PROPERTIES LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

4. Turnover

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

	2019 £	2018 £
Rent received	960,743	955,871
Sales	7,375,473	-
	<u>8,336,216</u>	<u>955,871</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	8,336,216	955,871
	<u>8,336,216</u>	<u>955,871</u>

5. Other operating income

	2019 £	2018 £
Profit on disposal of fixed asset investments	-	6,963,640
	<u>-</u>	<u>6,963,640</u>

6. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	12,000	-
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	1,050	-
All other services	16,000	-
	<u>17,050</u>	<u>-</u>

TRAD PROPERTIES LLP

**NOTES TO THE FINANCIAL STATEMENTS
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7. Employees

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

	Group 2019 £	Group 2018 £	LLP 2019 £	LLP 2018 £
Wages and salaries	3,619,161	-	-	-
Social security costs	56,433	-	-	-
Cost of defined contribution scheme	265,855	-	-	-
	<u>3,941,449</u>	<u>-</u>	<u>-</u>	<u>-</u>

The average monthly number of persons (including members with contracts of employment) employed during the year was as follows:

	Group 2019 No.	Group 2018 No.	LLP 2019 No.	LLP 2018 No.
Sales and administration	48	4	2	2

8. Interest receivable

	2019 £	2018 £
Other interest receivable	53,318	44,529
	<u>53,318</u>	<u>44,529</u>

9. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	107	-
	<u>107</u>	<u>-</u>



TRAD PROPERTIES LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	142,177	1,569,744
Adjustments in respect of previous periods	(266,106)	-
	<u>(123,929)</u>	<u>1,569,744</u>
Total current tax	<u>(123,929)</u>	<u>1,569,744</u>
Taxation on (loss)/profit on ordinary activities	<u>(123,929)</u>	<u>1,569,744</u>

Factors affecting tax charge for the year

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

	2019 £	2018 £
(Loss)/profit on ordinary activities before tax	<u>(4,930,511)</u>	<u>6,285,063</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(936,797)	1,194,162
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	423,579	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,140	-
Other differences leading to an increase (decrease) in the tax charge	387,149	375,582
Total tax charge for the year	<u>(123,929)</u>	<u>1,569,744</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

TRAD PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019

11. Parent LLP profit for the year

The LLP has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The loss after tax of the parent LLP for the year was £11,906NIL (2018 - loss £1,877).

12. Intangible assets

Group and LLP

	Goodwill £
Cost	
Additions	3,462,431
At 30 November 2019	3,462,431
Amortisation	
Charge for the year	259,682
Impairment charge	1,969,682
At 30 November 2019	2,229,364
Net book value	
At 30 November 2019	1,233,067
At 30 November 2018	-



TRAD PROPERTIES LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

13. Tangible fixed assets

Group

	Plant and machinery £	Other fixed assets £	Total £
Cost or valuation			
Acquisition of subsidiary	1,116,635	408,262	1,524,897
At 30 November 2019	<u>1,116,635</u>	<u>408,262</u>	<u>1,524,897</u>
Depreciation			
Charge for the year on owned assets	99,605	9,179	108,784
At 30 November 2019	<u>99,605</u>	<u>9,179</u>	<u>108,784</u>
Net book value			
At 30 November 2019	<u>1,017,030</u>	<u>399,083</u>	<u>1,416,113</u>
At 30 November 2018	<u>-</u>	<u>-</u>	<u>-</u>

14. Fixed asset investments

LLP

	Investments in subsidiary companies £
Cost or valuation	
At 1 December 2018	25,000,000
At 30 November 2019	<u>25,000,000</u>
Net book value	
At 30 November 2019	<u>25,000,000</u>
At 30 November 2018	<u>25,000,000</u>

TRAD PROPERTIES LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the LLP:

Name	Registered office	Class of shares	Holding
Gapsun Properties Limited	Hawke House, Old Station Road, Loughton, Essex	Ordinary	100%
Texo Group Limited	8 Stepfield, Witham, Essex	Ordinary	80%
Texo Engineering Limited	Scotland	Ordinary	80%
Texo Fabrication Limited	Scotland	Ordinary	80%
Texo Accommodation Limited	Scotland	Ordinary	80%
Texo Integrity+ Limited	Scotland	Ordinary	80%
Texo Compliance Limited	8 Stepfield, Witham, Essex	Ordinary	60%
Texo Marine Limited	Scotland	Ordinary	80%
Texo RD Limited	Scotland	Ordinary	80%

The registered office of the companies incorporated in Scotland was Texo House, Venture Drive, Westhill, Scotland.

The aggregate of the share capital and reserves as at 30 November 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Gapsun Properties Limited	39,092,846	1,061,911
Texo Group Limited	6,592,312	(3,907,689)
Texo Engineering Limited	(1,803,329)	(1,803,330)
Texo Fabrication Limited	(510,387)	(510,388)
Texo Accommodation Limited	115,469	115,468
Texo Integrity+ Limited	(283,199)	(283,200)
Texo Compliance Limited	(662,803)	(597,504)
Texo Marine Limited	(448,741)	(448,742)
Texo RD Limited	(584,470)	(584,471)



TRAD PROPERTIES LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

15. Investment property

Group

	Freehold investment property £
Valuation	
At 1 December 2018	11,798,049
Additions at cost	813,439
At 30 November 2019	12,611,488

The 2019 valuations were made by the directors, on an open market value for existing use basis.

16. Stocks

	Group 2019 £	Group 2018 £
Raw materials and consumables	50,939	-
	50,939	-

The difference between purchase price or production cost of stocks and their replacement cost is not material.

17. Debtors

	Group 2019 £	Group 2018 £	LLP 2019 £	LLP 2018 £
Trade debtors	3,238,666	24,172	-	-
Amounts owed by group undertakings	-	-	978,390	980,385
Other debtors	7,006,984	8,025,452	1,844	1,844
Prepayments and accrued income	-	21,706	-	-
Amounts recoverable on long term contracts	2,848,360	-	-	-
	13,094,010	8,071,330	980,234	982,229

TRAD PROPERTIES LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

18. Cash and cash equivalents

	Group 2019 £	Group 2018 £	LLP 2019 £	LLP 2018 £
Cash at bank and in hand	13,856,232	21,048,315	38,502	38,408
Less: bank overdrafts	(24,968)	-	-	-
	<u>13,831,264</u>	<u>21,048,315</u>	<u>38,502</u>	<u>38,408</u>

19. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	LLP 2019 £	LLP 2018 £
Bank overdrafts	24,968	-	-	-
Trade creditors	4,299,663	5,403	-	1,996
Corporation tax	142,177	-	-	-
Other taxation and social security	336,474	57,757	-	-
Other creditors	5,721,240	3,444,317	1,708,156	1,706,296
Accruals and deferred income	95,914	69,923	13,127	2,987
	<u>10,620,436</u>	<u>3,577,400</u>	<u>1,721,283</u>	<u>1,711,279</u>

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

	Group 2019 £	Group 2018 £	LLP 2019 £	LLP 2018 £
Other loans	10,774,800	10,774,800	10,774,800	10,774,800
Other creditors	97,239	-	-	-
	<u>10,872,039</u>	<u>10,774,800</u>	<u>10,774,800</u>	<u>10,774,800</u>

No interest is payable on the above loans.



TRAD PROPERTIES LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

21. Loans

	Group 2019 £	Group 2018 £	LLP 2019 £	LLP 2018 £
Amounts falling due 2-5 years				
Other loans	10,774,800	10,774,800	10,774,800	10,774,800
	<u>10,774,800</u>	<u>10,774,800</u>	<u>10,774,800</u>	<u>10,774,800</u>

22. Financial instruments

	Group 2019 £	Group 2018 £	LLP 2019 £	LLP 2018 £
Financial assets				
Financial assets measured at fair value through profit or loss	13,856,232	21,048,315	38,502	38,408
Financial assets that are debt instruments measured at amortised cost	10,245,651	8,049,624	980,233	982,229
	<u>24,101,883</u>	<u>29,097,939</u>	<u>1,018,735</u>	<u>1,020,637</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(20,948,385)	(14,294,443)	(12,498,078)	(12,486,078)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors.

TRAD PROPERTIES LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

23. Reconciliation of members' interests (Group)

	EQUITY		
	Members' capital (classified as equity) £	Members' other interests Other reserves £	Total £
Balance at 30 November 2018	13,534,559	13,030,935	26,565,494
Loss for the year available for discretionary division among members	-	(4,187,088)	(4,187,088)
Members' interests after profit for the year	13,534,559	8,843,847	22,378,406
Amounts introduced by members	(11,906)	11,906	-
Balance at 30 November 2019	13,522,653	8,855,753	22,378,406



TRAD PROPERTIES LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

23. Reconciliation of members' interests (LLP)

	EQUITY		
	Members' capital (classified as equity) £	Members' other interests Other reserves £	Total £
Balance at 30 November 2018	13,534,559	-	13,534,559
Loss for the year available for discretionary division among members	-	(11,906)	(11,906)
Members' interests after profit for the year	13,534,559	(11,906)	13,522,653
Other division of losses	(11,906)	11,906	-
Balance at 30 November 2019	13,522,653	-	13,522,653

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

24. Commitments under operating leases

At 30 November 2019 the Group and the LLP had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £
Total	3,623,198
	<u>3,623,198</u>

25. Related party transactions

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

	Recharged income £	Recharged expenses £	Amounts due to £	Amounts due from £
Other related parties	4,146,920	211,828	168,681	5,203,957
	<u>4,146,920</u>	<u>211,828</u>	<u>168,681</u>	<u>5,203,957</u>

TRAD PROPERTIES LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

26. Controlling party

The controlling party is H F Smith FURBS by virtue of its right to the majority of the LLP's profits and assets.