
Q.F.S. SCAFFOLDING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Q.F.S. SCAFFOLDING LIMITED

COMPANY INFORMATION

Directors	K J Clifford P A Reade (resigned 14 October 2022)
Company secretary	K Baker
Registered number	04826578
Registered office	Westminster House Denton Wharf Mark Lane Gravesend Kent DA12 2PL
Independent auditors	White Hart Associates (London) Limited Chartered Accountants and Statutory Auditors 2nd Floor, Nucleus House 2 Lower Mortlake Road Richmond TW9 2JA

Q.F.S. SCAFFOLDING LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Introduction

The directors present their strategic report for the year ended 31 December 2022.

Business review

The results of the Company show a loss before tax for the year of £621,217 (2021: profit of £233,855). Statutory turnover was £6,858,620 (2021: £7,511,843) with a gross profit achieved of £2,859,228 (2021: £3,542,357). Cash generated by operating activities was £1,144,746 (2021: expended £101,359).

Development and performance

Trading conditions remained competitive throughout the year. Levels of turnover have decreased slightly, and uncertainty around inflation has impacted costs. The directors do not see this as an issue for long term trading, nor for the going concern of the business. At the date of signing these accounts, there has been an improvement in confidence within the construction industry.

Principal risks and uncertainties

The most significant risk and uncertainty facing the business continues to be the general economic climate and the interest rate increase has increased cost pressure and delayed the commencement of projects.

Commercial relationships

The managerial team regularly meets with the Company's clients on commercial and operational levels, building relationships and developing leads and future business opportunities. These regular meetings also assist with monitoring limits and reducing the risk of bad debts.

Credit risk

Regular credit checks are carried out on existing customers, and no new accounts are accepted until and unless a full credit check is undertaken.

Financial risk management

Risks which may arise ordinarily through the course of the day to day activities are monitored and addressed through Company policies, introduced by the board and implemented by the management team.

Liquidity risk

The parent company continue to support the business, ensuring sufficient funds for operational expenditure and future expansion remain available.

This report was approved by the board on 3 October 2023 and signed on its behalf.

K J Clifford
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

The directors are also responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Principal activity

The Company's principal activity during the year continued to be that of providing scaffolding services to developers and large building companies.

Results and dividends

The loss for the year, after taxation, amounted to £576,970 (2021 - profit £260,701).

Directors

The directors who served during the year were:

K J Clifford

P A Reade (resigned 14 October 2022)

Future developments

The Company continues to target new customers and work with ongoing success, whilst maintaining its current strong relationships with its existing customer base.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Disclosure of information to auditors

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 auditors are unaware, and
- the director has taken all 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 auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year-end.

Auditors

The auditors, White Hart Associates (London) Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 3 October 2023 and signed on its behalf.

K J Clifford

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF Q.F.S. SCAFFOLDING LIMITED

Opinion

We have audited the financial statements of Q.F.S. Scaffolding Limited (the 'Company') for the year ended 31 December 2022, which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, 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 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF Q.F.S. SCAFFOLDING LIMITED (CONTINUED)

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 Auditors' 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF Q.F.S. SCAFFOLDING LIMITED (CONTINUED)

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 2, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF Q.F.S. SCAFFOLDING LIMITED (CONTINUED)

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.

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:

- We exercise professional judgment and maintain professional scepticism throughout the audit;
- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the deliberate override of internal control;
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made;
- We assess the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- We request and review the minutes of management meetings, and assess any matters identified not already provided for or disclosed that may materially impact the financial statements;
- We conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF Q.F.S. SCAFFOLDING 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 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

M S Caldicott ACA FCCA CTA (Senior Statutory Auditor)

for and on behalf of

White Hart Associates (London) Limited

Chartered Accountants and Statutory Auditors

2nd Floor, Nucleus House

2 Lower Mortlake Road

Richmond

TW9 2JA

3 October 2023

Q.F.S. SCAFFOLDING LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	6,858,620	7,511,843
Cost of sales		(3,999,392)	(3,969,486)
Gross profit		2,859,228	3,542,357
Administrative expenses		(3,300,135)	(3,218,298)
Other operating income	5	-	81,060
Operating (loss)/profit	6	(440,907)	405,119
Interest receivable and similar income	10	293	-
Interest payable and similar expenses	11	(180,603)	(171,234)
(Loss)/profit before tax		(621,217)	233,885
Tax on (loss)/profit	12	44,247	26,816
(Loss)/profit for the financial year		(576,970)	260,701

The notes on pages 15 to 28 form part of these financial statements.

Q.F.S. SCAFFOLDING LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
(Loss)/profit for the financial year		(576,970)	260,701
<hr/>			
Other comprehensive income			
Capital contribution movement on intercompany loan		(20,130)	74,561
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Other comprehensive income for the year		(20,130)	74,561
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Total comprehensive income for the year		<u>(597,100)</u>	<u>335,262</u>

The notes on pages 15 to 28 form part of these financial statements.

Q.F.S. SCAFFOLDING LIMITED
REGISTERED NUMBER: 04826578

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	3,545,211	3,936,195
		<u>3,545,211</u>	<u>3,936,195</u>
Current assets			
Debtors: amounts falling due within one year	14	4,421,975	5,948,884
		<u>4,421,975</u>	<u>5,948,884</u>
Creditors: amounts falling due within one year	15	(1,349,105)	(1,982,120)
		<u>(1,349,105)</u>	<u>(1,982,120)</u>
Net current assets		3,072,870	3,966,764
		<u>3,072,870</u>	<u>3,966,764</u>
Total assets less current liabilities		6,618,081	7,902,959
		<u>6,618,081</u>	<u>7,902,959</u>
Creditors: amounts falling due after more than one year	16	(1,928,240)	(2,571,771)
		<u>(1,928,240)</u>	<u>(2,571,771)</u>
Provisions for liabilities			
Deferred tax	18	(304,618)	(348,865)
		<u>(304,618)</u>	<u>(348,865)</u>
Net assets		4,385,223	4,982,323
		<u>4,385,223</u>	<u>4,982,323</u>
Capital and reserves			
Called up share capital	19	1,000,000	1,000,000
Other reserves	20	157,361	177,491
Profit and loss account	20	3,227,862	3,804,832
		<u>4,385,223</u>	<u>4,982,323</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 October 2023.

K J Clifford
Director

The notes on pages 15 to 28 form part of these financial statements.

Q.F.S. SCAFFOLDING LIMITED

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

	Called up share capital £	Capital contribution reserve £	Profit and loss account £	Total equity £
At 1 January 2021	1,000,000	102,930	3,544,131	4,647,061
Comprehensive income for the year				
Profit for the year	-	-	260,701	260,701
Capital contribution movement on intercompany loan	-	74,561	-	74,561
At 1 January 2022	1,000,000	177,491	3,804,832	4,982,323
Comprehensive income for the year				
Loss for the year	-	-	(576,970)	(576,970)
Capital contribution movement on intercompany loan	-	(20,130)	-	(20,130)
At 31 December 2022	<u>1,000,000</u>	<u>157,361</u>	<u>3,227,862</u>	<u>4,385,223</u>

The notes on pages 15 to 28 form part of these financial statements.

Q.F.S. SCAFFOLDING LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(576,970)	260,701
Adjustments for:		
Depreciation of tangible assets	528,064	549,491
Profit on disposal of tangible assets	(3,732)	(41,450)
Interest paid	180,603	171,234
Interest received	(293)	-
Taxation charge	(44,247)	(26,816)
Decrease/(increase) in debtors	1,498,936	(1,466,647)
Increase in amounts owed by groups	(23,923)	(1,373)
Decrease in creditors	(255,657)	(401,701)
(Decrease)/increase in amounts owed to groups	(209,931)	777,325
Corporation tax received	51,896	77,877
Net cash generated from operating activities	1,144,746	(101,359)
Cash flows from investing activities		
Purchase of tangible fixed assets	(139,341)	(83,282)
Sale of tangible fixed assets	5,993	43,119
Interest received	293	-
HP interest paid	(703)	-
Net cash from investing activities	(133,758)	(40,163)

Q.F.S. SCAFFOLDING LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from financing activities		
New secured loans	-	200,000
Repayment of loans	(560,000)	(218,414)
Repayment of/new finance leases	(8,438)	-
Interest paid	(179,900)	(171,234)
Net cash used in financing activities	(748,338)	(189,648)
Net increase/(decrease) in cash and cash equivalents	262,650	(331,170)
Cash and cash equivalents at beginning of year	(279,743)	51,427
Cash and cash equivalents at the end of year	(17,093)	(279,743)
Cash and cash equivalents at the end of year comprise:		
Bank overdrafts	(17,093)	(279,743)
	(17,093)	(279,743)

The notes on pages 15 to 28 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

Q.F.S. Scaffolding Limited is a private company limited by shares and incorporated in England under registered number 04826578. Its registered office and principal place of business is at Westminster House, Denton Wharf, Mark Lane, Gravesend, Kent, DA12 2PL.

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.

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

The following principal accounting policies have been applied:

2.2 Going concern

Company management and the directors, based on the current trading and the forward budgets/forecasts prepared, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least the following

12 months from the signing of these financial statements.

For this reason, and with the Company continuing to receive the full support of the Group, the directors continue to adopt the going concern basis in the financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Revenue

Turnover represents the fair value of consideration received or receivable, net of value added tax, rebates and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Turnover arises from increases in valuations on contracts and is normally determined by external valuations. It is the gross value of work carried out for the period to the balance sheet date (including retentions) but excludes claims until they are actually certified.

2.5 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Income Statement in the same period as the related expenditure.

2.6 Interest income

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

2.7 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.

2.8 Borrowing costs

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

2.9 Pensions

Defined contribution pension plan

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 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 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.

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:

Yard improvements	- over 20 years
Plant and machinery	- over 1, 2, 3, 4, 5, 10 or 15 years
Office equipment	- over 3 years

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.12 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.

2.13 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.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.15 Financial instruments

The Company 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 ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

In the application of the company's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Turnover

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

	2022 £	2021 £
Services rendered	6,858,620	7,511,843
	<u>6,858,620</u>	<u>7,511,843</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	6,858,620	7,511,843
	<u>6,858,620</u>	<u>7,511,843</u>

5. Other operating income

	2022 £	2021 £
Government grants receivable	-	81,060
	<u>-</u>	<u>81,060</u>

Included within government grants receivable above are furlough grants received from the government backed Coronavirus Job Retention Scheme (CJRS) to cover staff salaries amounting to £Nil (2021: £55,986). Also included is the sum of £Nil (2021: £23,555) in respect of the Business Interruption Payment (BIP) received to cover the interest arising in the period on the loan taken out under the Coronavirus Business Interruption Loan Scheme (CBILS).

6. Operating (loss)/profit

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

	2022 £	2021 £
Exchange differences	<u>291,192</u>	<u>29,429</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2022 £	2021 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	19,950	19,314

8. Employees

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

	2022 £	2021 £
Wages and salaries	4,033,812	4,160,348
Social security costs	329,213	402,198
Cost of defined contribution scheme	159,183	169,189
	<u>4,522,208</u>	<u>4,731,735</u>

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

	2022 No.	2021 No.
Administration	19	19
Distribution and installation	45	59
	<u>64</u>	<u>78</u>

9. Directors' emoluments

	2022 £	2021 £
Directors' emoluments	102,500	96,900
Company contributions to defined contribution pension schemes	33,462	37,082
	<u>135,962</u>	<u>133,982</u>

During the year retirement benefits were accruing to 1 director (2021 - 1) in respect of defined contribution pension schemes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Interest receivable

	2022	2021
	£	£
Other interest receivable	293	-
	<u>293</u>	<u>-</u>

11. Interest payable and similar expenses

	2022	2021
	£	£
Bank interest payable	49,137	57,732
Other loan interest payable	130,763	113,502
Finance leases and hire purchase contracts	703	-
	<u>180,603</u>	<u>171,234</u>

12. Taxation

	2022	2021
	£	£
Corporation tax		
Current tax on profits for the year	-	(77,877)
	<u>-</u>	<u>(77,877)</u>
Total current tax	<u>-</u>	<u>(77,877)</u>
Deferred tax		
Changes to tax rates	(44,247)	51,061
Total deferred tax	<u>(44,247)</u>	<u>51,061</u>
Taxation on loss on ordinary activities	<u>(44,247)</u>	<u>(26,816)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
(Loss)/profit on ordinary activities before tax	<u>(621,217)</u>	<u>233,885</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(118,031)	44,438
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,008	3,797
Capital allowances for year in excess of depreciation	18,586	23,602
Short-term timing difference leading to deferred tax	(44,247)	51,061
Adjustment for research and development tax credit leading to a decrease in the tax charge	-	(77,877)
Unrelieved tax losses carried forward	90,437	(71,837)
Total tax charge for the year	<u>(44,247)</u>	<u>(26,816)</u>

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2021 (on 11 March 2021). These include increases to the main rate of tax from 19% to 25% from 1 April 2023 for profits exceeding £50,000. Deferred taxes at the Statement of Financial Position date have been measured using the rates that will be applicable in the periods to which they relate.

Q.F.S. SCAFFOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Tangible fixed assets

	Yard improvements £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2022	475,439	8,162,971	8,638,410
Additions	-	139,341	139,341
Disposals	-	(23,898)	(23,898)
	475,439		
At 31 December 2022	475,439	8,278,414	8,753,853
Depreciation			
At 1 January 2022	207,944	4,494,271	4,702,215
Charge for the year on owned assets	24,282	503,782	528,064
Disposals	-	(21,637)	(21,637)
	232,226		
At 31 December 2022	232,226	4,976,416	5,208,642
Net book value			
At 31 December 2022	243,213	3,301,998	3,545,211
At 31 December 2021	267,495	3,668,700	3,936,195

The net book value of land and buildings may be further analysed as follows:

	2022 £	2021 £
Freehold	243,213	267,495
	243,213	267,495

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

	2022 £	2021 £
Plant and machinery	65,625	-

65,625	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Debtors

	2022 £	2021 £
Trade debtors	4,177,139	5,688,668
Amounts owed by group undertakings	148,402	124,479
Other debtors	52,331	81,902
Prepayments and accrued income	44,103	53,835
	<u>4,421,975</u>	<u>5,948,884</u>

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank overdrafts	17,093	279,743
Bank loans	360,000	383,333
Trade creditors	236,182	435,324
Amounts owed to group undertakings	450,270	507,895
Other taxation and social security	68,619	77,104
Obligations under finance lease and hire purchase contracts	33,750	-
Other creditors	22,291	28,618
Accruals and deferred income	160,900	270,103
	<u>1,349,105</u>	<u>1,982,120</u>

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

	2022 £	2021 £
Bank loans	870,000	1,406,667
Net obligations under finance leases and hire purchase contracts	25,312	-
Amounts owed to group undertakings	1,032,928	1,165,104
	<u>1,928,240</u>	<u>2,571,771</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	360,000	383,333
	<u>360,000</u>	<u>383,333</u>
Amounts falling due 1-2 years		
Bank loans	360,000	400,000
	<u>360,000</u>	<u>400,000</u>
Amounts falling due 2-5 years		
Bank loans	510,000	990,000
	<u>510,000</u>	<u>990,000</u>
Amounts falling due after more than 5 years		
Bank loans	-	16,667
	<u>-</u>	<u>16,667</u>
	<u>1,230,000</u>	<u>1,790,000</u>

Bank loans include a loan from the Company's bankers Lloyds Bank Plc, amounting to £1,800,000 and drawn down in May 2020, supported by the Coronavirus Business Interruption Loan Scheme (CBILS). The loan is for a 6 year term with no capital repayments for the first 12 months. There is also no interest payable for the first 12 months and an interest rate of 2.56% per annum charged over the base rate thereafter.

Bank loans also include a further loan from the Company's bankers Lloyds Bank Plc, amounting to £200,000 and drawn down in May 2021, again supported by the Coronavirus Business Interruption Loan Scheme (CBILS). The loan is also for a 6 year term with no capital repayments for the first 12 months. There is also no interest payable for the first 12 months and an interest rate of 2.99% per annum charged over the base rate thereafter. This loan was repaid in full in July 2022.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

18. Deferred taxation

	2022 £	2021 £
At beginning of year	(348,865)	(297,804)
Charged to profit or loss	44,247	(51,061)
At end of year	(304,618)	(348,865)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(551,158)	(441,094)
Tax losses carried forward	246,540	92,229
	(304,618)	(348,865)

19. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1,000,000 (2021 - 1,000,000) Ordinary shares of £1.00 each	<u>1,000,000</u>	<u>1,000,000</u>

20. Reserves

Other reserves

The capital contribution reserve is an equity account created to recognise the difference in the intercompany loan received from the immediate holding company, Westminster Gulf W.L.L., on its restatement at amortised cost as required under FRS 102. The actual terms of the loan are that it is repayable in equal annual instalments, at an interest rate of 4% per annum, by 31 December 2025 (previously 31 December 2024). It is considered however that an interest rate of 9.5% per annum more accurately represents a market rate of interest and the balance at each year-end has thus been restated to reflect this.

Profit and loss account

The profit and loss account represents the net distributable reserves of the company at the date of the statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Pension commitments

The Company operates a defined contributions pension scheme. 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 amounted to £159,183 (2021: £169,189). Contributions totalling £1,493 (2021: £3,398) were payable to the fund at the reporting date.

22. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	195,602	226,499
Later than 1 year and not later than 5 years	321,577	337,559
Later than 5 years	112,426	155,947
	<u>629,605</u>	<u>720,005</u>

23. Finance lease commitments

The Company did not have any finance lease commitments existing at the reporting date in respect of contracts entered into but whose inception occurs after the reporting date.

24. Related party transactions

The Company has taken advantage of the exemption from disclosing transaction with the group companies on the basis that the company is a wholly owned member.

25. Mortgages and charges

A debenture created by the Company on 30 March 2023, for securing all monies due or to become due from the Company to Lloyds Bank Plc on any account whatsoever, was registered at Companies House on 30 March 2023.

26. Controlling party

The immediate holding company is Westminster Gulf W.L.L., a company registered in the Kingdom of Bahrain and located at P.O. Box 31238, Diraz, Bahrain.

The ultimate holding company is Mohammed Jalal and Sons Co. W.L.L., a company registered in the Kingdom of Bahrain. Copies of the consolidated accounts may be obtained from P.O. Box 113, Manama, Bahrain. In the opinion of the directors, there is no ultimate controlling party of the Westminster group.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.