

Company Registration No. 00480252 (England and Wales)

FREYSSINET LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

THURSDAY



AAWL28IX

A09

27/01/2022

#86

COMPANIES HOUSE

FREYSSINET LIMITED

COMPANY INFORMATION

Directors

I Campbell
K Bennett
M J Lloyd
P Thillerot
J-P Ricard
M Dronfield
P Mercier

Secretary

J N C Alexander

Company number

00480252

Registered office

Innovation House
Euston Way
Town Centre
Telford
Shropshire
TF3 4LT

Auditor

RSM UK Audit LLP
Chartered Accountants
St Philips Point
Temple Row
Birmingham
West Midlands
B2 5AF

Bankers

Société Générale
SG House
41 Tower Hill
London
EC3M 4SG

FREYSSINET LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the Strategic Report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activities of the company are the supply of specialist services and equipment to the civil engineering and building industry (particularly in pre-stressed concrete and bridge repair techniques, bridge bearings and road bridge expansion joints, provision and development of systems for lifting and moving large structures and ground anchoring techniques), and the repair and restoration of structures.

Business model

The company continually identifies opportunities with new and recurring customers. Where possible, repeated business and preferred supplier status is targeted and achieved.

By maintaining capabilities across closely related market sectors, the company adds value by bringing together multi-disciplinary teams and leveraging the strength of associated group companies.

Review of the business

Activity in the year was impacted by the Coronavirus Pandemic resulting from operational challenges arising from the imposed restrictions.

Turnover in 2020 was £24.2 million which is a decrease of 19% on the 2019 turnover of £29.9 million. The gross margin has been decreased from 27% in 2019 to 23% in 2020. Overall the company made a net loss before tax of £0.5 million (2019: profit before tax £1.5 million). At 31 December 2020 cash in hand was £4.3 million (2019: £6.0 million).

Principal risks and uncertainties

Competitive pressure in the principal UK markets is an on-going risk. The company manages risk by providing added value services to its customers and maintaining a diverse portfolio of products and services to its broad customer base. All aspects of the company's trading require adherence to regulatory requirements and any provision of a quality product or service. The company is aware of the uncertainty relating to Brexit and has considered the potential risks whilst preparing strategic plans.

Key performance indicators

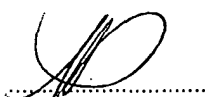
The key performance indicators for the company are safety performance, profitability and working capital. Gross profit margin was 23% (2019: 27%). The company considers that these indicators are interlinked and apply equally at a contract level and for the business as a whole.

Future developments

The directors have considered the impact of the project as described in Note 24 of the financial statements when considering the future financial performance and position of the business.

The directors are looking to build on the results achieved in the financial year ended 31 December 2020 and do not anticipate that there will be any significant changes in the activities of the business.

On behalf of the board



P Mercier
Director

Date: 25th January 2022

FREYSSINET LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P J Nagle	(Resigned 1 December 2021)
P A Bottomley	(Resigned 1 March 2020)
I Campbell	
K Bennett	
M J Lloyd	
P Thillerot	
J-P Ricard	
M Dronfield	
P Mercier	(Appointed 1 March 2020)

Political and charitable donations

Political donations in the year amounted to £Nil (2019: £Nil). Charitable donations in the year amounted to £8,450 (2019: £11,425).

Events after the reporting date

Following the year end, an ongoing project became onerous due to events and conditions which did not exist at the balance sheet date. The total loss to be derived on this particular project based on current available information, is estimated to amount to £1.9m.

The impact of the performance on this contract on the company has been significant. Therefore, the Board of Directors have taken this event into consideration in the review of the future forecasts and going concern status of the company.

Whilst the overall impact of this contract is detrimental to the financial performance of the business, the portfolio of projects being undertaken by the company and careful management of the Company by the Board of Directors has enabled the Company to have sufficient resources to continue to trade largely unaffected. The project has not impacted the long term plans and future project pipeline of the business.

Auditor

In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

Strategic report

Information as required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 including future developments and principal risks, and uncertainties has been included in the Strategic Report.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

FREYSSINET LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

On behalf of the board



P Mercier

Director

Date: 25th January 2022

FREYSSINET LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101"). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FREYSSINET LIMITED

Opinion

We have audited the financial statements of Freyssinet Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (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 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 UK, including the FRC'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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions 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 AUDITOR'S REPORT TO THE MEMBERS OF FREYSSINET 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 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FREYSSINET LIMITED (CONTINUED)

The extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to ISO compliance. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business.

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

Use of our report

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

Ian Wall

Ian Wall (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
West Midlands, B2 5AF

.....
25 January 2022

FREYSSINET LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	24,209,353	29,935,364
Cost of sales		(18,690,567)	(21,909,991)
Gross profit		5,518,786	8,025,373
Administrative expenses		(6,048,136)	(6,391,113)
Other operating income		188,447	-
Operating (loss)/profit	6	(340,903)	1,634,260
Interest receivable and similar income	7	8,848	30,841
Interest payable and similar expenses	8	(131,650)	(127,335)
(Loss)/profit before taxation		(463,705)	1,537,766
Tax on (loss)/profit	9	227,362	(357,040)
(Loss)/profit for the financial year		(236,343)	1,180,726
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Actuarial loss on defined benefit pension schemes	21	(1,254,565)	(1,565,409)
Tax relating to items not reclassified	9	238,367	265,186
Total other comprehensive income for the year		(1,016,198)	(1,300,223)
Total comprehensive income for the year		(1,252,541)	(119,497)

FREYSSINET LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	10	2,470,714	1,535,014
Investments	11	350,158	350,100
		<u>2,820,872</u>	<u>1,885,114</u>
Current assets			
Stocks	13	302,215	208,920
Debtors	15	8,702,031	7,794,875
Deferred tax asset due after more than one year	19	1,193,773	856,773
Cash at bank and in hand		4,277,192	5,951,188
		<u>14,475,211</u>	<u>14,811,756</u>
Creditors: amounts falling due within one year			
Creditors	16	7,773,336	7,998,069
		<u>6,701,875</u>	<u>6,813,687</u>
Net current assets			
		<u>9,522,747</u>	<u>8,698,801</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year			
Creditors	16	1,632,477	810,583
		<u>5,695,767</u>	<u>4,785,890</u>
Provisions for liabilities			
Retirement benefit obligations	21	5,695,767	4,785,890
Provisions	20	132,650	-
		<u>5,828,417</u>	<u>4,785,890</u>
Net assets		<u>2,061,853</u>	<u>3,102,328</u>

FREYSSINET LIMITED**STATEMENT OF FINANCIAL POSITION (CONTINUED)****AS AT 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Capital and reserves			
Called up share capital	22	800,000	800,000
Share based payment reserve	23	212,066	-
Other reserves	23	8,028	8,028
Profit and loss account	23	1,041,759	2,294,300
Total equity		<u>2,061,853</u>	<u>3,102,328</u>

The financial statements were approved by the board of directors and authorised for issue on 25th January 2022 and are signed on its behalf by:



 P Mercier
 Director

FREYSSINET LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Share based payment reserve	Other reserves	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2019	800,000	-	8,028	2,413,797	3,221,825
Year ended 31 December 2019:					
Profit for the year	-	-	-	1,180,726	1,180,726
Other comprehensive income:					
Actuarial losses on defined benefit plans	-	-	-	(1,565,409)	(1,565,409)
Tax relating to other comprehensive income	-	-	-	265,186	265,186
Total comprehensive income for the year	-	-	-	(119,497)	(119,497)
Balance at 31 December 2019	800,000	-	8,028	2,294,300	3,102,328
Year ended 31 December 2020:					
Loss for the year	-	-	-	(236,343)	(236,343)
Other comprehensive income:					
Actuarial losses on defined benefit plans	-	-	-	(1,254,565)	(1,254,565)
Tax relating to other comprehensive income	-	-	-	238,367	238,367
Total comprehensive income for the year	-	-	-	(1,252,541)	(1,252,541)
Share based payments	-	212,066	-	-	212,066
Balance at 31 December 2020	800,000	212,066	8,028	1,041,759	2,061,853

FREYSSINET LIMITED

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

1 Accounting policies

Company information

Freyssinet Limited is a private company limited by shares incorporated in England and Wales. The registered office is Innovation House, Euston Way, Town Centre, Telford, Shropshire, TF3 4LT.

The company's principal activities and nature of its operations are disclosed in the Strategic Report.

Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost basis. The principal accounting policies adopted are set out below.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Accounting Standards amended where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Presentation of a statement of cash flows and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of objectives, policies and processes for managing capital;
- Disclosures in respect of transactions with parent and wholly owned subsidiaries;
- Disclosures of the future impacts of the effects of new IFRS's but not yet effective at the reporting date;
- Compensation for key management personnel.

As the consolidated financial statements of Soletanche Freyssinet include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 'Fair Value Measurement';
- IFRS 7 'Financial Instruments' Disclosures and,
- Certain disclosures regarding the company's leases; providing the disclosure of indebtedness relating to amounts payable after five years is presented for lease liabilities and other liabilities, and in total.
- Certain disclosures in respect of share based payment arrangements.

The financial statements of the company are consolidated into the financial statements of Soletanche Freyssinet. The consolidated financial statements of Soletanche Freyssinet are available to the public and may be obtained from the address in note 25.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirements to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

New standards, amendments and IFRIC interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2020 that have had a material impact on the company.

Going concern

The financial statements have been prepared on a going concern basis. The company's business activities, together with the factors likely to affect its future developments, performance and position are set out in the Strategic Report.

The Coronavirus Pandemic has impacted the business and the civil engineering sector as a whole. The imposed government restrictions did cause operational challenges in 2020, notably impacting cash collection and progress on certain projects. As a result of this, the business performed a reforecasting exercise and management have produced revised forecasts up until December 2022.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to manage business risk successfully. Furthermore, the directors note that the company has sufficient cash resources in order to continue to operate for the foreseeable future. In this regard, the directors have considered the current and future pipeline of contracts, including the impact of the contract as described in the events after the reporting period disclosure (Note 24) and the financial position of the company.

If required, further mitigating actions could be taken, including obtaining support from the wider Vinci group. The directors have received written confirmation from the group that they will, if required, provide support, such that the company can meet its liabilities as and when they fall due for a period of at least 12 months from signing of these financial statements. The directors have gained assurance that the group is in a position to provide this support as required. Such support has not been sought at this stage, as the need for this is considered unlikely.

After making the above enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months post the date of signing the financial statements. The directors therefore continue to adopt the going concern basis in preparing the statements.

Turnover

Turnover represents the value of construction work performed during the year together with revenue attributable to goods and services provided to customers after deduction of discounts and value added tax. Product revenue is recognised upon delivery.

Sale of goods

Product revenue is recognised upon delivery, which is the key performance obligation obtained in the contract. It is deemed at this point, control of the promised goods are passed to the customer, hence the revenue is recognised at a point in time.

Long term contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to profit and loss, after deducting foreseeable losses and payments on account not matched with turnover. Contract assets are included in debtors and represent turnover recognised in excess of payments on account.

The company reviews the underlying contractual documentation to identify the relevant performance obligations. Where contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices.

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to recoverable amount. Any such write down would be charged to operating profit.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings and equipment	3-10 years
Plant and machinery	6 years
Motor vehicles	Over the shorter of the lease term and the assets useful lives

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

Initial and subsequent measurement of right-of-use assets

A right-of-use asset is recognised at commencement of the lease and initially measured at the amount of the lease liability, plus any incremental costs of obtaining the lease and any lease payments made at or before the leased asset is available for use by the company.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. The depreciation methods applied are as follows:

Land and buildings	On a straight-line basis over the shorter of the lease term and the useful life years
--------------------	---

The right-of-use asset is adjusted for any re-measurement of the lease liability and lease modifications, as set out in the lease accounting policy.

Fixed asset investments

Investments in subsidiaries are carried at cost less impairment.

Joint arrangements

In accordance with IFRS 11, the company's share of the assets and liabilities, income and expenditure of the joint arrangement that the company has an interest in and which is classified as a joint operation, is included in these financial statements.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Debtors

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Share capital and reserves

Ordinary shares are classified as equity.

The other reserve arose as a result of reduction of share capital.

Dividends

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The temporary differences relating to investments in subsidiaries have not been provided to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Provisions

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 the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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.

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The company determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Certain employees of the Company are offered free performance shares in the ultimate parent company, Vinci S.A. Shares granted typically have a vesting period of three years and have non-market and market vesting conditions.

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Leases

On commencement of a contract (or part of a contract) which gives the company the right to use an asset for a period of time in exchange for consideration, the company recognises a right-of-use asset and a lease liability unless the lease qualifies as a 'short-term' lease or a 'low-value' lease.

Short-term leases

Where the lease term is twelve months or less and the lease does not contain an option to purchase the leased asset, lease payments are recognised as an expense on a straight-line basis over the lease term.

Leases of low-value assets

Where the underlying asset in a lease is 'low-value', lease payments are recognised as an expense on a straight-line basis over the lease term.

Initial measurement of the lease liability

The lease liability is initially measured at the present value of the lease payments during the lease term discounted using the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

The lease term is the non-cancellable period of the lease plus extension periods that the company is reasonably certain to exercise and termination periods that the company is reasonably certain not to exercise.

The incremental borrowing rate is the rate of interest the company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Subsequent measurement of the lease liability

The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments. Interest on the lease liability is recognised in profit or loss.

Re-measurement of lease liability

The lease liability is adjusted for changes arising from the original terms and conditions of the lease that change the lease term or the lease payments. The change in the amounts payable under the lease are recognised when the change takes effect and are discounted at the original discount rate.

Grants

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised within other operating income in the period in which they become receivable.

Foreign exchange

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, 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 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.

Key areas of management judgement

The following are the management judgements made in applying the accounting policies of the company that have the most significant effect on the amounts recognised in the financial statements:

Determination of the lease term

One of the key judgements contained within IFRS16 when assessing the lease term is determining whether a lessee is reasonably certain to exercise an option to extend or terminate a lease. When making their assessment the directors have considered the future plans of the company and any other relevant factors.

Joint arrangement classification

The company has entered into an joint arrangement with two other parties for the purpose of fulfilling a customer contract. The directors have been required to consider whether this joint arrangement is a joint operation or joint venture in order to determine the appropriate accounting treatment.

When making this assessment, the directors have considered:

- 1) Whether the joint arrangement is structured through a separate vehicle.
- 2) Whether the company has rights to the assets, and obligations for the liabilities, relating to the arrangement (a joint operation) or rights to the net assets of the arrangement (a joint venture) through reviewing and assessing:

- The legal form of the arrangement;
- The terms of the contractual arrangement which govern the joint arrangement; and
- Where relevant, other facts and circumstances.

Based on this assessment, the directors have concluded the joint arrangement is a joint operation. Please see note 17 for further information.

Key sources of estimation uncertainty

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:

Pension assumptions

Defined benefit pension accounting inherently contains a number of judgements that can significantly impact the financial statements. Management utilise external experts to calculate scheme balances. These, and potential sensitivities, are more fully disclosed in note 21.

Long-term contracts

Long-term contract accounting requires management to make significant judgements, in particular in estimating the profitability of those individual contracts. Changes in circumstances, or unforeseen events, could materially impact profitability and revenue recognition. Consideration is also given the timing of events and conditions and whether they give rise to adjusting or non-adjusting events after the reporting period. Management mitigate this risk by employing contract managers and Quantity Surveyors, who monitor and update estimates for accuracy. Please refer to note 14 for further information regarding the carrying value of contract assets.

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover

	2020 £	2019 £
Turnover analysed by class of business		
Supply of specialist services and equipment to the civil engineering industry	3,351,948	4,394,887
Repair and restoration of structures	20,857,405	25,540,477
	<u>24,209,353</u>	<u>29,935,364</u>
	2020 £	2019 £
Other revenue		
Furlough grants received	188,447	-
	<u>188,447</u>	<u>-</u>
	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	24,209,353	29,694,356
Asia	-	16,430
Rest of Europe	-	224,578
	<u>24,209,353</u>	<u>29,935,364</u>

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Operations, engineering and marketing	160	163

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	9,258,377	9,098,034
Social security costs	885,390	838,255
Pension costs	284,511	253,745
	<u>10,428,278</u>	<u>10,190,034</u>

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

5 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	1,272,000	1,246,119
Company pension contributions to defined contribution schemes	75,156	62,926
	<u>1,347,156</u>	<u>1,309,045</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2019 - 5).

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 1 (2019 - 1).

The number of directors who exercised share options, including the highest paid director, during the year was 2 (2019 - 2). The share options included with director's emoluments are settled by the company and then, for certain employees, are recharged to the group entity from which they were issued.

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	502,214	494,140
Company pension contributions to defined contribution schemes	27,150	26,337
	<u>529,364</u>	<u>520,477</u>

6 Operating (loss)/profit

	2020 £	2019 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses	120,856	7,023
Government grants	(188,447)	-
Fees payable to the company's auditor for the audit of the company's financial statements	30,970	24,500
Depreciation of property, plant and equipment	442,028	418,061
Cost of inventories recognised as an expense	6,584,138	3,522,667
	<u>6,991,545</u>	<u>4,072,251</u>

7 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	8,848	30,841
	<u>8,848</u>	<u>30,841</u>

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

8 Interest payable and similar expenses

	2020 £	2019 £
Return on pension scheme assets	(264,071)	(368,714)
Interest on lease liabilities	44,799	34,431
Net interest on the net defined benefit liability	350,922	461,618
Total interest expense	<u>131,650</u>	<u>127,335</u>

9 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	-	396,078
Adjustments in respect of prior periods	(128,729)	23,375
Total UK current tax	<u>(128,729)</u>	<u>419,453</u>
Deferred tax		
Origination and reversal of temporary differences	(91,021)	(62,413)
Changes in tax rates	(90,988)	-
Adjustment in respect of prior periods	83,376	-
	<u>(98,633)</u>	<u>(62,413)</u>
Total tax charge/(credit)	<u>(227,362)</u>	<u>357,040</u>

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Taxation (Continued)

The total tax (credit)/charge for the year included in the statement of comprehensive income can be reconciled to the (loss)/profit before tax multiplied by the standard rate of tax as follows:

	2020 £	2019 £
(Loss)/profit before taxation	(463,705)	1,537,766
Expected tax (credit)/charge based on a corporation tax rate of 19.00% (2019: 19.00%)	(88,104)	292,176
Effect of expenses not deductible in determining taxable profit	889	32,048
Adjustment in respect of prior years	(128,729)	23,375
Deferred tax adjustments in respect of prior years	83,376	-
Other adjustments for tax purposes	(3,806)	9,441
Remeasurement of deferred tax for changes in tax rates	(90,988)	-
Taxation (credit)/charge for the year	(227,362)	357,040

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2020 £	2019 £
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(238,367)	(265,186)

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 21. Deferred tax has been calculated at 19% which was the tax rate substantively enacted at 31 December 2020. The effect of remeasuring deferred tax to 25% would increase recognised deferred tax liabilities at 31 December 2020 to £81,867 and increase recognised deferred tax assets at 31 December 2020 to £1,655,958.

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Tangible fixed assets

	Fixtures, fittings and equipment	Plant and machinery	Motor vehicles	Land and buildings	Total
	£	£	£	£	£
Cost					
At 31 December 2019	853,012	2,103,049	251,047	1,037,863	4,244,971
Additions	82,815	43,476	266,169	985,268	1,377,728
At 31 December 2020	935,827	2,146,525	517,216	2,023,131	5,622,699
Accumulated depreciation and impairment					
At 31 December 2019	433,496	1,997,577	126,478	152,406	2,709,957
Charge for the year	103,791	9,565	126,260	202,412	442,028
At 31 December 2020	537,287	2,007,142	252,738	354,818	3,151,985
Carrying amount					
At 31 December 2020	398,540	139,383	264,478	1,668,313	2,470,714
At 31 December 2019	419,516	105,472	124,569	885,457	1,535,014

Tangible fixed assets includes right-of-use assets, as follows:

Right-of-use assets

	Fixtures, fittings and equipment	Motor vehicles	Land and buildings	Total
	£	£	£	£
Cost				
At 1 January 2020	98,573	251,047	1,037,863	1,387,483
Additions	-	266,169	-	266,169
Lease modifications	-	-	985,268	985,268
At 31 December 2020	98,573	517,216	2,023,131	2,638,920
Accumulated depreciation and impairment				
At 1 January 2020	24,140	126,478	152,406	303,024
Charge for the year	27,794	126,260	202,412	356,466
At 31 December 2020	51,934	252,738	354,818	659,490
Carrying amount				
At 31 December 2020	46,639	264,478	1,668,313	1,979,430
At 31 December 2019	74,433	124,569	885,457	1,084,459

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Investments

	2020 £	2019 £
Investments in subsidiaries	350,158	350,100
	<u>350,158</u>	<u>350,100</u>

Movements in fixed asset investments

	Shares in group undertakings £
Cost	
At 1 January 2020	350,100
Additions	58
At 31 December 2020	<u>350,158</u>
Carrying amount	
At 31 December 2020	<u>350,158</u>
At 31 December 2019	<u>350,100</u>

12 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Ownership interest (%) (Direct)
Corrosion Control Services Limited	1	Corrosion control	100
Foreva Concrete Repairs Limited	1	Construction	100
Aquaforce (Concrete Services) Limited	1	Construction	100
FVH Services Limited	1	Construction	58

1. Innovation House Euston Way, Town Centre, Telford, Shropshire, TF3 4LT.

On 12 August 2020, the company invested £58 into the share capital of FVH Services Limited upon its incorporation.

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Stocks	2020 £	2019 £
Raw materials and consumables	302,215	208,920

Stock is stated after provisions for impairment of £95,392 (2019: £100,368).

14 Contracts with customers

Assets and liabilities related to contracts with customers:

The company has recognised the following assets and liabilities related to contracts with customers:

	2020 £	2019 £
Contracts in progress at the reporting end date		
Contract assets	508,220	1,467,036

Significant changes in contract assets and liabilities

Contract assets have significantly decreased in the year. These represent amounts recoverable for work done not yet applied for. The balance will change year on year dependent on the portfolio of contracts live at the year end and their stage of completion.

15 Debtors	2020 £	2019 £
Trade debtors	4,908,065	4,720,407
Contract assets (note 14)	508,220	1,467,036
Other debtors	374,476	464,533
Amounts owed by fellow group undertakings	2,397,902	970,444
Amounts owed by associated undertakings	395,813	75,585
Prepayments and accrued income	117,555	96,870
	8,702,031	7,794,875

Amounts owed by group and related companies are interest free, unsecured and repayable on demand.

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Creditors

	Due within one year		Due after one year	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	660,344	737,375	-	-
Payments received on account	912,716	909,844	-	-
Amounts owed to fellow group undertakings	1,034,607	755,057	-	-
Accruals and deferred income	3,485,022	3,922,455	-	-
Lease liabilities	303,984	267,642	1,632,477	810,583
Taxation and social security	1,374,985	1,005,123	-	-
Corporation tax	1,678	400,573	-	-
	<u>7,773,336</u>	<u>7,998,069</u>	<u>1,632,477</u>	<u>810,583</u>

Amounts owed to group and related companies are interest free, unsecured and repayable on demand.

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Joint arrangements

The company has a 24% interest in the FVH joint operation. The sole purpose of the joint arrangement is the supply and installation of certain specialist systems at Hinkley Point C, Somerset, United Kingdom. The Company, along with the two other parties to the agreement are jointly responsible for the overall delivery of the project.

A joint arrangement is an arrangement of which two or more parties have joint control. When determining whether joint control existed, the Directors considered matters regarding decision making and arbitration.

In the opinion of the Directors, there were no significant judgements and assumptions made in concluding that joint control existed with the other parties to the arrangement.

The Directors also considered whether the arrangement was structured through a separate vehicle. In coming to their conclusion regarding the existence of a separate vehicle, the Directors noted that the arrangement had a separately identifiable financial structure despite having no legal personality.

When determining the appropriate classification of the arrangement, the Directors considered whether the Company has the rights to the assets, and obligations for the liabilities, relating to the arrangement (a joint operation) or rights to the net assets of the arrangement (a joint venture) through reviewing and assessing:

- The legal form of the arrangement;
- The terms of the contractual arrangement which govern the joint arrangement; and
- Where relevant, other facts and circumstances.

The Directors considered that the key judgement in their assessment related to the review of the terms of the contractual agreement which govern the arrangement. When such terms were considered as a whole, they infer that the Company has a right to the assets, and obligations for the liabilities, relating to the arrangement.

On this basis, the Directors have concluded that the joint arrangement is a joint operation and have accounted for the arrangement accordingly.

During the year the Company sold goods and services amounting to £1,226,962 (2019: £601,924) to the joint operation for which the Company has an interest in. At the balance sheet date £46,648 (2019: £71,971) was due from them. Advances have been made from the joint operation to the Company amounting to £543,801 (2019: £Nil).

18 Lease liabilities

FRS101 reduced disclosure exemptions

Certain disclosures regarding the company's leases; providing the disclosure of indebtedness relating to amounts payable after five years is presented for lease liabilities and other liabilities, and in total.

Lease liabilities payable after five years amounted to £653,804 (2019: £17,448).

Cash outflow

The cash outflow during the period was £417,617 (2019: £356,072).

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Losses and other deductions £	Short term temporary differences £	Tangible fixed assets £	Total £
Deferred tax liability at 1 January 2019	-	-	48,928	48,928
Deferred tax asset at 1 January 2019	-	(578,102)	-	(578,102)
Deferred tax movements in prior year				
Charge to profit or loss	-	(54,538)	(7,875)	(62,413)
Credit to other comprehensive income	-	(265,186)	-	(265,186)
Deferred tax liability at 1 January 2020	-	-	41,053	41,053
Deferred tax asset at 1 January 2020	-	(897,826)	-	(897,826)
Deferred tax movements in current year				
Charge/(credit) to profit or loss	(167,923)	50,542	18,748	(98,633)
Credit to other comprehensive income	-	(238,367)	-	(238,367)
Deferred tax liability at 31 December 2020	-	-	59,801	59,801
Deferred tax asset at 31 December 2020	(167,923)	(1,085,651)	-	(1,253,574)

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2020 £	2019 £
Deferred tax liabilities	59,801	41,053
Deferred tax assets	(1,253,574)	(897,826)
	<u>(1,193,773)</u>	<u>(856,773)</u>

The deferred tax asset totalling £1,253,574, as set out above, relates to short term temporary differences and carried forward trading losses. The related deferred tax assets are expected to reverse after more than one year.

The deferred tax liability totalling £59,801, as set out above, is expected to reverse within 3 years and relates to accelerated capital allowances.

The Company has carried forward trading losses as at 31 December 2020 of £883,803 (2019: £Nil). A deferred tax asset has been recognised in respect of these trading losses as the Directors are satisfied it is probable that the Company will generate sufficient taxable profits in the future for which these losses will be offset against.

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

20 Provisions for liabilities

	2020 £	2019 £
Onerous contract provision	132,650	-
Movements on provisions:	Onerous contract provision	
		£
Additional provisions in the year		132,650

Onerous contract provision

The provision represents management's best estimate, taking into account the associated risks and uncertainties, of the consideration to settle the present obligation of onerous contracts at the end of the reporting period. It is expected that the provision will be utilised in the next 12 months.

21 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £284,511 (2019: £253,745). There were contributions included in creditors totalling £19,205 (2019: £16,212) at the financial year end.

Defined benefit scheme

The company operates a pension scheme providing benefits, for a number of employees, based on final pensionable pay. The scheme was closed to new entrants in 2000 and was closed to future accrual in 2013. The assets of the scheme are held separately in trustee administered funds. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pension over the employee's working life with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the attained age method. The most recent valuation was at 1 January 2020.

The plan assets include equities, government debt, corporate bonds and property to mitigate any concentration of risk in a particular market. These assets, together with the contribution schedules determined by the company and the trustee, are intended to cover future service costs and any deficit arising from vested rights.

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2020 %	2019 %
<i>Key assumptions</i>		
Discount rate	1.50	1.90
Future salary increases	N/A	N/A
Inflation	3.15	3.10
Future pension increases	3.60	3.60

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

21 Retirement benefit schemes (Continued)

<i>Mortality assumptions</i>	2020	2019
	Years	Years
Assumed life expectations on retirement at age 65:		
Retiring today		
- Males	23.3	22.4
- Females	24.6	24.1
Retiring in 20 years		
- Males	25.0	24.1
- Females	26.1	25.6
	<u>2020</u>	<u>2019</u>
	£	£
<i>Amounts recognised in the statement of comprehensive income</i>		
Administrative charges	184,245	135,000
Net interest on defined benefit liability/(asset)	350,922	461,618
Expected return on defined benefit pension plan assets	(264,071)	(368,714)
Total costs	<u>271,096</u>	<u>227,904</u>

The expense is recognised in the following line items in the profit and loss account:

	2020	2019
	£	£
Administrative expenses	184,245	135,000
Interest payable and similar charges	86,851	92,904
	<u>271,096</u>	<u>227,904</u>

	2020	2019
	£	£
<i>Total amounts recognised in other comprehensive income:</i>		
Actuarial changes arising from changes in demographic assumptions	1,808,977	2,426,659
Actuarial changes arising from experience adjustments	-	1,968
Actuarial changes related to plan assets	(554,412)	(863,218)
Total costs	<u>1,254,565</u>	<u>1,565,409</u>

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

21 Retirement benefit schemes (Continued)

The amounts included in the statement of financial position arising from the company's obligations in respect of defined benefit plans are as follows:

	2020 £	2019 £
Present value of defined benefit obligations	20,311,285	18,784,808
Fair value of plan assets	(14,615,518)	(13,998,918)
Deficit in scheme	<u>5,695,767</u>	<u>4,785,890</u>

	2020 £	2019 £
<i>Movements in the present value of defined benefit obligations</i>		
At 1 January 2020	18,784,808	16,495,488
Benefits paid	(633,422)	(600,925)
Actuarial gains and losses arising from:		
- Change in assumptions	1,808,977	2,426,659
- Experience adjustment	-	1,968
Interest cost	<u>350,922</u>	<u>461,618</u>
At 31 December 2020	<u>20,311,285</u>	<u>18,784,808</u>

The defined benefit obligations arise from plans which are wholly unfunded.

	2020 £	2019 £
<i>Movements in the fair value of plan assets:</i>		
At 1 January 2020	13,998,918	13,105,315
Administrative charges	(184,245)	(135,000)
Return on plan assets (excluding amounts included in net interest)	554,412	863,218
Benefits paid	(633,422)	(600,925)
Contributions by the employer	615,784	397,596
Expected return on defined benefit pension plan assets	<u>264,071</u>	<u>368,714</u>
At 31 December 2020	<u>14,615,518</u>	<u>13,998,918</u>

The actual return on plan assets was £818,483 (2019: £1,231,932).

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

21 Retirement benefit schemes (Continued)

Sensitivity of the defined benefit obligations to changes in assumptions

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased/(decreased) as a result of an increase in the respective assumptions by 0.25 percent.

	2020 £	2019 £
Discount rate	(777,401)	(1,451,872)
Future salary increases	N/A	N/A
Inflation (RPI, CPI)	156,212	234,417

In valuing the liabilities of the pension fund at 31 December 2020, mortality assumptions have been made as indicated below. If life expectancy had been changed to assume that all members of the fund lived for one year longer, the value of the reported liabilities at 31 December 2020 would have increased by £1,039,443 before deferred tax.

The expected contributions to the plan for the next annual reporting period is £397,596 (2019: £397,596).

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 1 January 2020 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

The fair value of plan assets at the reporting period end was as follows:

	Fair value 2020 £	Fair value 2019 £
Equities	2,215,002	3,359,581
Property	1,317,139	1,307,037
Diversified growth funds	3,571,919	2,100,172
Government debt	2,633,348	2,712,420
Corporate bonds	4,169,575	4,122,736
Other	440,782	396,972
Cash and cash equivalents	267,753	-
	<u>14,615,518</u>	<u>13,998,918</u>

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

22	Share capital	2020	2019
		£	£
	Ordinary share capital		
	<i>Issued and fully paid</i>		
	800,000 Ordinary shares of £1 each	800,000	800,000
		<u>800,000</u>	<u>800,000</u>

The ordinary shares rank equally for voting rights, dividend rights, distribution rights, and are not redeemable.

23 Reserves

Profit and loss reserves

Cumulative profit and losses net of distributions to owners.

Other reserves

The other reserve arose as a result of reduction of share capital.

Share based payment reserve

Represents the cumulative amounts charged to the reserve less any options exercised at the end of the reporting period.

24 Events after the reporting date

Following the year end, an ongoing project became onerous due to events and conditions which did not exist at the balance sheet date. The total loss to be derived on this particular project based on current available information, is estimated to amount to £1.9m.

The impact of the performance on this contract on the company has been significant. Therefore, the Board of Directors have taken this event into consideration in the review of the future forecasts and going concern status of the company.

Whilst the overall impact of this contract is detrimental to the financial performance of the business, the portfolio of projects being undertaken by the company and careful management of the Company by the Board of Directors has enabled the Company to have sufficient resources to continue to trade largely unaffected. The project has not impacted the long term plans and future project pipeline of the business.

FREYSSINET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

25 Related party transactions

The company has taken advantage of the FRS 101 8(k) exemption not to disclose related party transactions with wholly owned group companies. There have been no related party transactions, other than those entered into with the Company's joint operation, as disclosed in Note 17 and transactions with companies that are wholly owned within the Vinci Group.

26 Controlling party

The company is a subsidiary of Soletanche Freyssinet, incorporated in France. The parent company for Soletanche Freyssinet is Vinci SA which is the ultimate parent company, incorporated in France.

The largest group in which the results of the company are consolidated is that headed by Vinci SA. The smallest group in which they are consolidated is that headed by Soletanche Freyssinet, incorporated in France. The consolidated financial statements of the groups are available to the public and may be obtained from:

Soletanche Freyssinet
280 Avenue Napoléon Bonaparte, CS 60002, 92506 Rueil Malmaison Cedex, France

Vinci SA
1 Cours Ferdinand de Lesseps, Rueil-Malmaison, France

FREYSSINET LIMITED

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2020

THE FOLLOWING PAGES DO NOT FORM PART OF THE FINANCIAL STATEMENTS

FREYSSINET LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

		2020		2019
	£	£	£	£
Turnover				
Sales of services		3,351,948		4,366,328
Sales of services 2		20,857,405		25,569,036
		<u>24,209,353</u>		<u>29,935,364</u>
Cost of sales				
Direct costs	6,584,138		3,522,667	
Wages and salaries	6,991,084		6,483,986	
Social security costs	461,119		410,015	
Staff pension costs defined contribution	126,068		65,356	
Other cost of sales	4,528,158		11,427,967	
		<u>(18,690,567)</u>		<u>(21,909,991)</u>
Gross profit	22.80%	5,518,786	26.81%	8,025,373
Other operating income				
Government grants receivable and released		188,447		-
Administrative expenses		<u>(6,048,136)</u>		<u>(6,391,113)</u>
Operating (loss)/profit		(340,903)		1,634,260
Investment revenues				
Interest payable and similar expenses				
Finance lease interest payable	44,799		34,431	
Spare finance costs	(264,071)		(368,714)	
Net interest on defined benefit liability	350,922		461,618	
		<u>(131,650)</u>		<u>(127,335)</u>
(Loss)/profit before taxation	1.92%	<u>(463,705)</u>	5.14%	<u>1,537,766</u>

FREYSSINET LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£	£
Administrative expenses		
Wages and salaries	1,032,043	1,407,733
Social security costs	424,271	428,240
Temporary staff	18,913	19,187
Staff recruitment costs	77,127	23,304
Staff training	64,966	111,840
Staff pension costs defined contribution	83,287	125,463
Other staff costs	(55,663)	(58,991)
Directors' remuneration	1,272,000	1,246,119
Directors' pension costs - defined contribution scheme	75,156	62,926
Rent re operating leases	(149,667)	(47,851)
Rates	29,170	47,233
Cleaning	25,631	16,220
Power, light and heat	34,255	15,165
Equipment repairs	36,678	27,867
Computer running costs	215,031	155,672
Motor running expenses	39,707	65,216
Travelling expenses	61,244	102,526
Postage, courier and delivery charges	3,255	3,994
Professional subscriptions	25,753	23,582
Legal and professional fees	30,000	23,025
Accountancy	-	180
Audit fees	50,000	62,221
Charitable donations	8,450	11,425
Bank charges	7,026	9,762
Bad and doubtful debts	594,347	166,275
Insurances (not premises)	394,875	425,070
Printing and stationery	31,268	39,734
Advertising	46,409	68,258
Telecommunications	20,963	13,216
Entertaining	2,377	14,262
Sundry expenses	802,135	1,222,156
Spare expenses - administration	184,245	135,000
Depreciation	442,028	418,061
Profit or loss on foreign exchange	120,856	7,023
	<u>6,048,136</u>	<u>6,391,113</u>
