

Registered number: 01358506

**GENERATION (UK) LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2023**



**GENERATION (UK) LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	A Wilkinson M Clifford
<b>Company secretary</b>	A Wilkinson
<b>Registered number</b>	01358506
<b>Registered office</b>	Trinity Street Off Tat Bank Road Oldbury West Midlands B69 4LA
<b>Independent auditors</b>	Cooper Parry Group Limited Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA
<b>Bankers</b>	HSBC Bank plc 49 Corn Street Bristol BS99 7PP

**GENERATION (UK) LIMITED**

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## **GENERATION (UK) LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2023**

#### **Introduction**

The company's principal activities are the hire and sale of non-mechanical plant to the construction industry.

#### **Business review**

Trading conditions remained strong but competitive for the year ended 31 August 2023 with price fluctuation, labour and product availability affecting the market resulting in an EBITDA (profit before interest, tax, depreciation and amortisation) of £34.2million (2022: £34.5 million), and an operating profit of £19.7 million (2022: £22.1 million).

In the previous financial year, on 28 February 2022, Generation (UK) Limited acquired all of the trade and certain assets and liabilities of Actavo Hire and Sales UK Limited, a subsidiary company. The results for the year ended 31 August 2023 include a full 12 months of Actavo Hire and Sales UK Limited trade compared to 6 months in the prior year.

#### **Principal risks and uncertainties**

Principal risks and uncertainties are considered to be the continued economic conditions impacting upon the UK and global markets, competitor actions and the threat of bad debts. However, the company manages these risks by operating a widespread branch network throughout the country servicing a highly diverse customer base which itself services many diverse sectors.

##### *Financial risk management*

Exposure to credit, interest and liquidity risk arises in the normal course of the company's business. The policies set by the board of directors are implemented by the finance department.

##### *Credit Risk*

The directors have a credit policy in place which requires appropriate checks on customers before sales are made. At the balance sheet date there is no significant concentration of credit risk with exposure spread over a large number of customers.

##### *Interest rate risk*

The company is only directly exposed to interest rate risk on its overdraft.

##### *Liquidity risk*

The company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the company has sufficient funds for operations and planned expansion. The future cash requirements are actively monitored ensuring a pro-active approach and helping to ensure the company's compliance with any bank covenants.

#### **Financial and non financial key performance indicators**

The directors monitor the following financial KPI's at a branch and group level:

- Turnover
- Gross and net profit percentages

During the year turnover has remained strong at £145m (2022: £134m). Gross profit and net profit percentages are 33.5% (2022: 33.2%) and 11.9% (2022: 14.5%) respectively.

The directors also monitor the utilisation of hire stock and believe that the current year level, given the market conditions, has been satisfactory.

## GENERATION (UK) LIMITED

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

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

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

##### *Business relationships*

The need to build strong longstanding relationships with key suppliers, and our customers, is paramount to the success of the company and its longevity. We continually develop strategies to maintain and grow our offering by continually upgrading our branches to larger locations and offering additional products such as groundworks and edge protection equipment. This provides a better equipment offering to our customer base. We work hand in hand with a small number of suppliers in order to further improve relationships.

##### *Our people*

The company is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, customers, shareholders communities and society as a whole. People are the heart of delivering great customer service in our branches. For our business to continue to succeed we continually manage our people's performance and develop and bring through talent whilst ensuring we operate as efficiently as possible. Vacancies are always filled internally if possible and the company prides itself on the average length of service of its employees.

##### *Disabled employees*

The company offers equal opportunities to all applicants for employment whatever their sex, race or religion. Disabled persons are considered for employment, training, career development and promotion on the basis of their attitudes and abilities in common with all employees, providing the disability does not make the particular employment impractical or the employee unable to conform to the stringent regulations which apply to the operations of the company.

##### *Employee involvement*

During the period the company has maintained and developed arrangements aimed at systematically providing employees with information on matters of concern to them as employees, consulting them or their representatives on a regular basis, so that their views may be taken into account in making decisions which are likely to affect their interests. The company encourages employee branch meetings each quarter and is fully committed to using an e-learning platform to increase training and development of all employees. The company encourages employee involvement and believes that achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of their employing company plays a major role in maintaining the success of the company.

##### *Community, charity and environment*

We support our staff in their charitable endeavours, encouraging them to get involved with organisations or events, alongside promoting their causes to our workforce to encourage sponsorship and awareness. As a business we also like to be proactive with fundraising and we support a variety of initiatives throughout the year.

##### *Culture and values*

The company recognises the importance of having the right corporate culture. Our long term success is dependent on achieving strategic goals the right and fair way, so we look after the best interests of our shareholders, customers, people, suppliers and other stakeholders.

##### *Shareholders*

The management team are committed and openly engaged with the company's shareholders through regular meetings, effective dialogue and internal reporting. The shareholders are actively engaged in understanding our strategy, culture, people and the performance of our shared objectives for the short, mid and longer terms.


**GENERATION (UK) LIMITED**

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

**Future developments**

The principal activity of the company remains unchanged. Post year end trading has remained strong during the period with performance being in line with expectations.

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

DocuSigned by:  
  
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**A Wilkinson**  
Director

Date: 12 February 2024

## **GENERATION (UK) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2023**

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

#### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £17.3m (2022: £15.7m).

No dividends were paid during the current or prior year. The directors do not recommend the payment of any dividends post year end.

#### **Directors**

The directors who served during the year are:

A Wilkinson  
M Clifford

#### **Strategic report**

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

**GENERATION (UK) LIMITED****DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2023****Streamlined Energy and Carbon Reporting (SECR)**

UK greenhouse gas emissions and energy use data for the year 1 September 2022 to 31 August 2023:

	<b>2023</b>	<b>2022</b>
Energy consumption used to calculate emissions (kWh)	22,936,216	20,173,752
Scope 1 emissions in metric tonnes CO <sub>2</sub> e		
Gas consumption	19.15	69.08
Vehicle fuel	5,554.58	4,890.00
Total scope	5,573.73	4,959.80
Scope 2 emissions in metric tonnes CO <sub>2</sub> e		
Electricity	253.75	134.66
Scope 3 emissions in metric tonnes CO <sub>2</sub> e		
Business travel in employee owned vehicles	25.41	29.01
Total gross emissions in metric tonnes CO <sub>2</sub> e	5,852.89	5,123.47
Intensity ratio tonnes CO <sub>2</sub> e per million £ of turnover	40.35	38.12

**Quantification and reporting methodology**

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol Corporate Standard and have used the 2023 UK Government's Conversion Factors for Company Reporting.

**Intensity measurement**

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per £/million of turnover.

**Measures taken to improve energy efficiency**

As a company we review our fuel and co<sub>2</sub> emissions as part of our FORS silver transport accreditation. As participants in the Energy Savings and Opportunities Scheme we review all forms of our energy usage and act upon any recommendations.

We are gradually moving to an EV fleet for all company cars and have implemented solar panels in branches subject to capital expenditure approval.

As part of our ongoing commitment to CSR we have decided to launch our volunteer programme with a view to committing 365 volunteer days a year to local projects across the country.



**GENERATION (UK) LIMITED**

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

**Qualifying third party indemnity provisions**


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

**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 the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

DocuSigned by:  
  
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**A Wilkinson**  
Director

Date: 12 February 2024

## **GENERATION (UK) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GENERATION (UK) LIMITED**

#### **Opinion**

We have audited the financial statements of Generation (UK) Limited (the 'company') for the year ended 31 August 2023, which comprise of the profit and loss account, the balance sheet, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **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.

## **GENERATION (UK) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GENERATION (UK) LIMITED (CONTINUED)**

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

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

## GENERATION (UK) LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GENERATION (UK) 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:

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

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

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

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

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

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

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

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

**GENERATION (UK) LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GENERATION (UK) 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.

A handwritten signature in black ink that reads "Cooper Parry Group Limited". The signature is written in a cursive, flowing style and is positioned above a horizontal line.

**Cooper Parry Group Limited**

Statutory Auditor

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

Date: 12 February 2024

## GENERATION (UK) LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £000	2022 £000
<b>Turnover</b>	3	145,053	134,402
Cost of sales		(96,529)	(89,766)
<b>Gross profit</b>		<u>48,524</u>	<u>44,636</u>
Administrative expenses		(28,568)	(22,565)
Other operating income		40	-
<b>Operating profit</b>	4	<u>19,996</u>	<u>22,071</u>
Interest receivable and similar income		37	7
Interest payable and similar expenses	8	(2,402)	(2,651)
<b>Profit before taxation</b>		<u>17,631</u>	<u>19,427</u>
Taxation on profit	9	(3,999)	(3,715)
<b>Profit for the financial year</b>		<u><u>13,632</u></u>	<u><u>15,712</u></u>

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


The notes on pages 14 to 29 form part of these financial statements.

**GENERATION (UK) LIMITED**  
**REGISTERED NUMBER: 01358506**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2023**

	Note	2023 £000	2022 £000
<b>Fixed assets</b>			
Intangible assets	10	12,335	13,786
Tangible assets	11	75,732	79,976
Investments	12	23,829	23,829
		<u>111,896</u>	<u>117,591</u>
<b>Current assets</b>			
Stocks	13	14,928	18,217
Debtors: amounts falling due within one year	14	29,910	37,144
Cash at bank and in hand		26,725	20,279
		<u>71,563</u>	<u>75,640</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(134,478)</u>	<u>(158,062)</u>
<b>Net current liabilities</b>		<u>(62,915)</u>	<u>(82,422)</u>
<b>Total assets less current liabilities</b>		<u>48,981</u>	<u>35,169</u>
<b>Creditors: amounts falling due after more than one year</b>	16	(1,015)	(601)
<b>Provisions for liabilities</b>			
Deferred tax	18	(5,356)	(5,590)
<b>Net assets</b>		<u>42,610</u>	<u>28,978</u>
<b>Capital and reserves</b>			
Called up share capital	19	100	100
Profit and loss account		42,510	28,878
<b>Shareholders' funds</b>		<u>42,610</u>	<u>28,978</u>

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

DocuSigned by:  
  
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**A Wilkinson**  
Director

Date: 12 February 2024

The notes on pages 14 to 29 form part of these financial statements.

**GENERATION (UK) LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2023**

	<b>Called up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
<b>At 1 September 2021</b>	100	14,772	14,872
Profit for the year	-	15,712	15,712
Amortisation on investment transferred to goodwill	-	(1,606)	(1,606)
<b>At 1 September 2022</b>	100	28,878	28,978
Profit for the year	-	13,632	13,632
<b>At 31 August 2023</b>	100	42,510	42,610

The notes on pages 14 to 29 form part of these financial statements.



## **GENERATION (UK) LIMITED**

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

#### **1. Accounting policies**

Generation (UK) Limited (the company) is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is shown on the company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the company and are presented in round thousands (£000s). The financial statements are for the year ended 31 August 2023 (2022: year ended 31 August 2022).

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis under historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard (FRS 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 the directors to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following principal accounting policies have been applied:

##### **1.2 Going concern**

At the time of signing these accounts, the directors have considered the company's ability to continue to trade for a period of at least 12 months from the date of signing these accounts. The company has made a profit in the year and is in a net asset position at the year end. The company has strong cash reserves in place to meet its day to day working capital requirements.

Long term forecasts prepared by the directors show that the company has the ability to continue to operate within the cash available to it, for a period of at least 12 months from the signing of these financial statements. The directors therefore consider it appropriate for the financial statements to be prepared on a going concern basis.

##### **1.3 Disclosure exemptions**

Under FRS 102 section 1.12, the company has taken advantage of the requirement to prepare a statement of cash flows. Where required, equivalent disclosures are given in the group accounts of Altrad Investment Authority SAS. The group accounts of Altrad Investment Authority SAS are available to the public and can be obtained as set out in note 24.

As permitted by FRS 102 section 33.1A, the company has taken advantage of the disclosure exemptions available in relation to related party transactions with wholly owned group companies.

##### **1.4 Group accounts**

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 401 of the Companies Act 2006 as it is a subsidiary undertaking of Altrad Investment Authority SAS, and is included in the consolidated accounts of that company.

## **GENERATION (UK) LIMITED**

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

#### **1. Accounting policies (continued)**

##### **1.5 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

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

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

##### **Hire of fixed assets**

Rentals from the hire of items held within fixed assets are credited to the profit and loss account on a straight line basis.

Turnover also includes the sale of items from the fixed asset hire fleet, and charges levied on customers for damaged or lost hire equipment. Turnover in relation to hire items are recognised monthly throughout the hire period and lost hire equipment is invoiced at the point the item is identified as lost.

##### **1.6 Intangible assets**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the profit and loss account over its useful economic life of 10 years.

##### **1.7 Tangible fixed assets**

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

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

## GENERATION (UK) LIMITED

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

#### 1. Accounting policies (continued)

##### 1.7 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Leasehold buildings	- Over the life of the lease
Motor vehicles	- 4 years straight line
Plant and equipment	- 3 to 15 years straight line

Leasehold land is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

At each balance sheet date, the directors review the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Any impairment loss is recognised as an expense immediately in the profit and loss account.

##### 1.8 Valuation of investments

Investments are initially measured at cost and reviewed annually for impairment. If an impairment loss is identified, this is recognised immediately in the profit and loss account and the value of the investment is reduced accordingly.

##### 1.9 Stocks

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

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

##### 1.10 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities, such as trade and other debtors and creditors, and loans to and from related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

## **GENERATION (UK) LIMITED**

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

#### **1. Accounting policies (continued)**

##### **1.11 Foreign currency translation**

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the date of the transaction.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

##### **1.12 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 the profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet 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 balance sheet.

##### **1.13 Dilapidations**

Provisions for dilapidations are provided on leasehold properties where the terms of the lease require the company to make good any changes made to the property during the period of the lease. Where a dilapidation provision is required the company recognises a provision equal to the expected future cost of reinstating the property to its original state.

##### **1.14 Current and deferred taxation**

The tax charge for the year comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### **1.15 Finance costs**

Finance costs are charged to the profit and loss account 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.

## **GENERATION (UK) LIMITED**

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

#### **1. Accounting policies (continued)**

##### **1.16 Leasing and hire purchase**

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant rate of charge on the net obligation outstanding in each period.

Rental income from the hire of fixed assets to customers is credited to the profit and loss account on a straight line basis over the term of the relevant period.

##### **1.17 Pensions**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds

## **GENERATION (UK) LIMITED**

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

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

The directors make estimates and assumptions concerning the future. The directors are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

##### **Impairment of fixed assets**

The directors assess the impairment of tangible fixed assets subject to depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant under performance relative to historical or projected future operating results;
- Significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

##### **Impairment of investments and goodwill**

The directors review the carrying value of investments and goodwill for indications of impairment at each period end. If indicators of impairment exist, the carrying value of the investment and goodwill is subject to further testing to determine whether its carrying value exceeds the recoverable amount. This process will usually involve the estimation of future cash flows which are likely to be generated by the asset.

##### **Depreciation, amortisation and residual values**

The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

**GENERATION (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023****3. Turnover**

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

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
Sale of Goods	90,266	86,421
Hire of fixed assets	54,343	47,697
Training and other income	444	284
	<u>145,053</u>	<u>134,402</u>

Analysis of turnover by country of destination:

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
United Kingdom	142,058	132,731
Rest of Europe	2,031	1,463
Rest of the world	964	208
	<u>145,053</u>	<u>134,402</u>

**4. Operating profit**

The operating profit is stated after charging:

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
Foreign exchange losses	183	228
Depreciation of tangible fixed assets owned by the company	12,796	11,153
Depreciation of tangible fixed assets held under finance leases and hire purchase contracts	272	528
Amortisation of intangible fixed assets	1,451	725
Plant and machinery operating lease rentals	1,360	509
Other operating lease rentals	3,188	2,423
	<u>20,150</u>	<u>16,566</u>

**5. Auditors' remuneration**

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
Fees payable to the company's auditors in respect of:		
Audit of the company's annual financial statements	<u>110</u>	<u>75</u>

**GENERATION (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023****6. Employees**

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

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
Wages and salaries	16,430	13,343
Social security costs	1,954	1,391
Cost of defined contribution scheme	1,078	815
	<u>19,462</u>	<u>15,549</u>

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

	<b>2023</b> <b>No.</b>	<b>2022</b> <b>No.</b>
Administration and management	217	183
Yard labour	237	187
	<u>454</u>	<u>370</u>

**7. Directors' remuneration**

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
Directors' emoluments	452	449
Company contributions to defined contribution pension schemes	15	20
	<u>467</u>	<u>469</u>

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

The highest paid director received remuneration of £233,000 (2022: £231,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,000 (2022: £10,000).

**8. Interest payable and similar expenses**

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
Interest on loans from group undertakings	2,333	2,546
Interest on finance leases and hire purchase contracts	69	105
	<u>2,402</u>	<u>2,651</u>



## GENERATION (UK) LIMITED

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

## 9. Taxation

	2023 £000	2022 £000
<b>Corporation tax</b>		
Current tax on profits for the year	4,470	4,123
Adjustments in respect of previous periods	(237)	(124)
<b>Total current tax</b>	<u>4,233</u>	<u>3,999</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(386)	(417)
Adjustments to deferred tax in respect of previous periods	152	133
<b>Total deferred tax</b>	<u>(234)</u>	<u>(284)</u>
<b>Taxation on profit</b>	<u>3,999</u>	<u>3,715</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 21.52% (2022: 19%). The differences are explained below:

	2023 £000	2022 £000
Profit on ordinary activities before tax	<u>17,631</u>	<u>19,427</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.52% (2022: 19%)	3,794	3,691
<b>Effects of:</b>		
Expenses not deductible for tax purposes	461	199
Adjustments to tax charge in respect of prior periods	(85)	9
Remeasurement of deferred tax - change to tax rate	-	(74)
Movement on deferred tax not provided	(171)	(110)
<b>Total tax charge for the year</b>	<u>3,999</u>	<u>3,715</u>

**Factors that may affect future tax charges**

The corporation tax rate increased to 25% with effect from 1 April 2023. Deferred tax at the balance sheet dates has been calculated at this rate.

A deferred tax asset of £0.9m (2022: £1.1m) has not been recognised due to uncertainty over when it will be released.

## GENERATION (UK) LIMITED

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

## 10. Intangible assets

	<b>Goodwill £000</b>
<b>Cost</b>	
At 1 September 2022 and 31 August 2023	16,117
	<hr/>
<b>Amortisation</b>	
At 1 September 2022	2,331
Charge for the year	1,451
	<hr/>
At 31 August 2023	3,782
	<hr/>
<b>Net book value</b>	
At 31 August 2023	12,335
	<hr/> <hr/>
At 31 August 2022	13,786
	<hr/> <hr/>

## GENERATION (UK) LIMITED

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

## 11. Tangible fixed assets

	Leasehold land and buildings £000	Motor vehicles £000	Plant and equipment £000	Total £000
<b>Cost</b>				
At 1 September 2022	3,778	5,609	109,167	118,554
Additions	337	1,079	17,225	18,641
Disposals	-	(300)	(15,902)	(16,202)
At 31 August 2023	4,115	6,388	110,490	120,993
<b>Depreciation</b>				
At 1 September 2022	2,277	4,368	31,933	38,578
Charge for the year	436	717	11,915	13,068
Disposals	-	(188)	(6,197)	(6,385)
At 31 August 2023	2,713	4,897	37,651	45,261
<b>Net book value</b>				
At 31 August 2023	1,402	1,491	72,839	75,732
At 31 August 2022	1,502	1,240	77,234	79,976

Included within leasehold land and buildings is land with a cost of £365,000 (2022: £365,000) which is not depreciated.

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

	2023 £000	2022 £000
Motor vehicles	1,164	677
Plant and equipment	608	415
	1,772	1,092

GENERATION (UK) LIMITED

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

12. Fixed asset investments

Investments  
in subsidiary  
undertakings  
£000

Cost

At 1 September 2022 and 31 August 2023

23,829

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Actavo Hire and Sales UK Limited	Holding and subleasing of property leases	Ordinary	100%
Altrad Generation Hire & Sales (Ireland) Limited	Hire and sale of non-mechanical plant	Ordinary	100%

The registered office of Actavo Hire and Sales UK Limited is the same as Generation (UK) Ltd which is displayed on the company information page. The registered office for Altrad Generation Hire & Sales (Ireland) Limited is Killen Road Depot, Killen Road, Dublin D12 AC04.

## GENERATION (UK) LIMITED

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

## 13. Stocks

	2023 £000	2022 £000
Goods for resale	14,928	18,217

## 14. Debtors

	2023 £000	2022 £000
Trade debtors	26,451	32,206
Amounts owed by group undertakings	2,072	2,417
Prepayments and accrued income	1,010	1,537
Tax recoverable	377	984
	29,910	37,144

An impairment loss of £1.19m (2022: £1.19m) was recognised in administrative expenses against trade debtors during the year.

Amounts owed by group undertakings are unsecured, interest free, have no fixed repayment and are repayable on demand.

## 15. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	33,836	38,885
Amounts owed to group undertakings	93,044	110,889
Other taxation and social security	3,479	4,186
Obligations under finance lease and hire purchase contracts	713	616
Accruals and deferred income	3,406	3,486
	134,478	158,062

Included within amounts owed to group undertakings is £86.2m which is unsecured, attracts interest of 2.95%, has no fixed repayment and is repayable on demand. The remaining amounts owed to group undertakings are unsecured, interest free, have no fixed repayment and are repayable on demand.

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

## GENERATION (UK) LIMITED

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

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

	2023 £000	2022 £000
Net obligations under finance leases and hire purchase contracts	1,015	601

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

## 17. Finance leases and hire purchase contracts

Minimum lease payments under hire purchase fall due as follows:

	2023 £000	2022 £000
Within one year	713	616
Between 1-2 years	582	485
Between 2-5 years	433	116
	1,728	1,217

## 18. Deferred taxation

	2023 £000	2022 £000
At the beginning of the year	5,590	5,874
Credited to the profit and loss account	(234)	(284)
<b>At the end of the year</b>	<b>5,356</b>	<b>5,590</b>

The provision for deferred taxation is made up as follows:

	2023 £000	2022 £000
Accelerated capital allowances	5,620	5,870
Short term timing differences	(264)	(280)
	5,356	5,590

## GENERATION (UK) LIMITED

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

## 19. Share capital

	2023 £000	2022 £000
<b>Allotted, called up and fully paid</b>		
100,000 Ordinary shares of £1.00 each	100	100

## 20. Contingent liabilities

The company has given a guarantee of £1,200,000 (2022: £1,200,000) in favour of HM Revenue & Customs.

## 21. Pension commitments

The company operates a defined contribution pension plan for its employees. The assets of the scheme are held separately from those of the company in an independently administrated fund. The pension cost charge represents contributions payable by the company to the fund and is set out in note 6.

The amount owing at the year end in respect of such contributions amounted to £75,000 (2022: 104,000) and is included in creditors.

## 22. Commitments under operating leases

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

	2023 £000	2022 £000
Not later than 1 year	2,860	3,099
Later than 1 year and not later than 5 years	7,214	6,402
Later than 5 years	2,101	1,688
	<u>12,175</u>	<u>11,189</u>

## 23. Other financial commitments

At 31 August 2023, the company had entered into contracts for the forward purchase of US Dollars and Chinese Yen for the contracted value of £5,626,000 (2022: £4,459,000). The contracts mature between the months of April and August 2023.

At 31 August 2023 the company had letters of credits given by the bank in respect of trading transactions amounting to £718,000 (2022: £2,377,000).

## **GENERATION (UK) LIMITED**

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

#### **24. Related party transactions**

The company has taken advantage of the FRS 102 Section 33.1A exemption from disclosing transactions with wholly owned group companies.

The company traded with subsidiary companies of the ultimate parent undertaking which are not wholly owned group companies. During the year the company purchased goods of £4,393,000 (2022: £5,143,000). At the year end £1,003,000 (2022: £1,175,000) was due to these companies. The company also made sales of £365,000 (2022: £254,000). At the year end £45,000 (2022: £184,000) was due from these companies.

The key management personnel are considered to be employees, other than directors, who have authority and responsibility for planning, directing and controlling the activities of the company. Remuneration of £1,140,000 (2022: £991,000) was paid to key management personnel, including directors, during the year.

#### **25. Controlling party**

The company's immediate parent undertaking is Generation Holdings Limited, a company incorporated in England and Wales. The ultimate controlling undertaking is Altrad Participations, a company incorporated in France. Altrad Participations is controlled Dr M Altrad.

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