
FALCON TOWER CRANE SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

FALCON TOWER CRANE SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS	A A Brown I Gray T S Greaves S Paxman
COMPANY SECRETARY	A A Brown
REGISTERED NUMBER	06475031
REGISTERED OFFICE	Shipdham Airfield Industrial Estate Shipdham Thetford Norfolk IP25 7SD
INDEPENDENT AUDITORS	Peters Elworthy & Moore Chartered Accountants & Statutory Auditors Salisbury House Station Road Cambridge CB1 2LA

FALCON TOWER CRANE SERVICES LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

INTRODUCTION

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

BUSINESS REVIEW

The Company's principal activity continues to be that of a crane rental and services company, mainly the provision of tower cranes for hire, together with related support services to the construction industry mainly in the UK.

The directors are pleased with the results for the year given the effects of COVID-19 on the economy as a whole. The Company's business model is stringent enough to allow for a sudden change in our business environment, which includes a significant reduction or increase in turnover. During the outbreak of COVID-19 in March 2020 the turnover dipped considerably for a period of two months as many of our customers and therefore construction sites, closed across the UK due to the measures imposed by the government. Throughout this lockdown period, Falcon maintained a skeleton crew to manage its customers that remained open, and all other staff were placed on the UK's Furlough scheme. Regular expenditure was carefully managed and was successfully reduced to coincide with the reduction in turnover. The Company has incurred a small amount of additional costs throughout this period to ensure the company and staff were COVID-19 ready for the return to work. By June 2020 95% of our business activity had returned to normal. Our pipeline for future work with external clients continues to grow as we build on and leverage our reputation as the largest and most innovative crane company within the industry. We have welcomed new clients, although much of our work continues to be driven by repeat business.

The Company operates from five regional offices in Norfolk, Bedfordshire, Manchester and Glasgow, servicing the whole of the United Kingdom, via our group headquarters at Shipdham Airfield in Norfolk. We have also commenced operations in the South West and will open an office in Newport in 2021. Also, with the growth of the Generator department, which has increased the number of generators available for rental to over 300 units, this division will be moving to their own depot, North of Manchester, in late 2021.

A company under common control that hires cranes and other machinery to the Company for use in its trading activities continued with the modernisation strategy of its fleet of tower cranes during this time, increasing the number of tower cranes it operates in its fleet to over 430 and it has continued to reduce the average age of its fleet by selling older machinery and replacing with more modern machinery. The company under common control has continued its improvements strategies at each of its depots with resurfacing, fencing and electrical improvements completed throughout the year. An additional 10 acres of land to the East of their head office in Shipdham, has been acquired. This new site has increased their operational and storage capabilities, which will allow for them to expand their operations under the contract of rental of all cranes.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's key business risk at present is potential business interruption caused by the ongoing COVID-19 pandemic and this remains a principal risk and uncertainty of the Company. This risk is managed by regular monitoring of the situation by the directors and management, with swift action taken where required under quickly changing circumstances.

The Company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers and on previous customers as new contracts are proposed. Payments received are monitored against contractual agreements.

The Company monitors cashflow as part of its day-to-day control procedures and ensures that appropriate facilities are available to fulfil its financial obligations.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

FINANCIAL KEY PERFORMANCE INDICATORS

The Company's key performance indicators are turnover, liquidity and customer percentages. Throughout the year, we have performed greater than expected against all of our key performance indicators. The directors will continue to monitor these indicators on a month by month basis throughout 2021 and compare with our internally set targets.

OTHER KEY PERFORMANCE INDICATORS

The Company's key non financial performance indicators remain as the number of cranes in available for use and the utilisation percentages of these cranes. The improved market conditions and increased market share for Falcon has meant utilisation for much of 2020 was in excess of the target KPI despite the growing fleet size.

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

The directors of Falcon recognise the stakeholders of the Company and its duty to act in good faith to benefit these members. Decisions which the Company take are to promote the ongoing success of the Company, however we truly believe that such decisions benefit all stakeholders alike. Part of the Company's decision making process is to consider the impact of the Company's actions on various stakeholders before decisions are made. The following stakeholders have been identified;

Customers

By having regular engagement with our customers, and two way feedback on individual and group projects we are able to gauge what is really important. Of course, price and reliability are firmly at the top of the priority list, but other considerations are becoming more important as time progresses. Having a modern fleet of tower cranes, becoming environmental friendly and developing innovative operational and health and safety improvements are all becoming more important. Our direction in recent years has supported these requirements, which has helped build the success of the business.

Environment

It is built into the ethos of each director to be greener both individually and corporately. In the long-term this will effect every stakeholders quality of life. Immense strides have been made over the past few years to change our business model to take these effects into consideration.

Community

This includes the local residents and councils, of the connected company that rents cranes to this entity for use in the business, for its sites head office in Norfolk, its Northern depot in Manchester and its Freight depot in Dunstable as well as its own Company's considerations of the sites it operates on. Engagement with local communities is essential as is employing from a local workforce where possible. We are members to the Considerate Constructors Scheme which promotes neighbourliness.

Employees

Regular communication with all departments of employees is absolutely essential. Six weekly health and safety meetings, which are attended by one person from all departments within the company plus three of the five directors. Ideas are mainly shared on a health, safety, environmental and quality issues, but the rotation systems gives every employee a voice within the Company.

FALCON TOWER CRANE SERVICES LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY (CONTINUED)

Supply chain

Regular supply chain meetings are conducted to discuss supply, quality, reliability and price. Where possible, we attempt to establish terms order contracts with key suppliers to support continuity.

Lenders

Bi-annual meetings are held with all lenders to the business, and regular communication takes place between the senior managers and directors of both Falcon and the lenders.

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

T S Greaves
Director

Date: 29 September 2021

FALCON TOWER CRANE SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

PRINCIPAL ACTIVITY

The principal activity of the Company is the provision of tower crane rental and related services.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,398,611 (2019 - £1,132,134).

Dividends declared during the year amounted to £1,025,682 (2019 - £313,147). Subsequent to the year end dividends of £109,840 have been declared.

DIRECTORS

The directors who served during the year were:

A A Brown
B I Brown (resigned 26 February 2021)
P G Gale (resigned 26 February 2021)
I Gray
T S Greaves (appointed 1 October 2020)
S Paxman

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.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

ENGAGEMENT WITH EMPLOYEES

The Company holds regular meetings with employees, management and the directors to discuss key strategic matters, financials and other aspects of the Company's operational performance. The aim of these meetings is to provide the employees of the different departments with relevant information and to aid regular consultation with employees to obtain their views for decision making within the Company.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

Details of how the Company engages with suppliers, customers and others are set out in the Strategic Report.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

Streamlined Energy & Carbon Reporting (SECR)

Under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon) Regulations 2018, we are mandated to disclose our UK energy use and associated greenhouse gas (GHG) emissions. As a minimum, we are required to report the GHG emissions from fuel combustion, purchased energy and transport vehicles. Additionally, the use of an intensity ratio and an outline of implemented efficiency measures are required under the Streamlined Energy and Carbon Reporting (SECR) regulations.

To ensure a high level of transparency is achieved, robust and recognised reporting methods are implemented. The reporting methodology involves usage of the 2020 DEFRA (Department for Environment, Food and Rural Affairs) emissions factors to calculate and assess our UK operational emissions.

The SECR reporting period covers the Company's UK operations from 1 January 2020 to 31 December 2020 and our calculations are for the following scopes:

- **Building-related energy** – Purchased electricity consumption (scope 2).
- **Transportation** – Fuel combustion for business travel in company vehicles (scope 1) & Purchase of electricity for business travel in electric vehicles (scope 2).

Calculation methodology

The Company's emissions have been assessed by McGrady Clarke in accordance with the 'GHG Protocol Corporate Accounting and Reporting Standard' and in line with Defra's 'Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting Requirements'. The Defra 2020 emission conversion factors were used to quantify the emissions associated with the Company's UK operations for the specified reporting period.

Organisational bountty

We have used the operational control approach.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION (CONTINUED)**Results**

Energy & GHG Emissions Data for the year ended 31 December 2020				
Reporting Category	UK & Offshore			Total
	Energy Consumption (kWh)	Energy Generation (kWh)	Location-Based Methodology (tCO₂e)	
Combustion of Fuel for Transport Purposes (Scope 1)	2 184 703 31	-	554 81	554 81
Scope 1 (tCO₂e)				554.81
Purchased Electricity (Scope 2)	759 689 90	17 479 71	177 11	177 11
Scope 2 (tCO₂e)				177.11
Scope 3 (tCO₂e)				-
Total Emissions (tCO₂e)				731.92
Intensity Ratio (tCO₂e / £m Turnover)				13.18
Intensity Ratio (tCO₂e / Employee)				1.80
Total Underlying Energy Consumption (kWh)				2,944,393

Intensity measurement

We have chosen the metric tCO₂e / £m turnover as this is a common business metric for our industry sector. Intensity ratio of tCO₂e / per full time employee equivalent is also included as a general metric.

Energy efficiency measures

The Company has adopted energy efficient lighting in its main office blocks by the introduction of PIR sensors where possible. All LED lights in the facility are equipped with timers.

Currently, the Company uses eight electric company cars for business travel and look to expand on this in the future. There are staff incentives in place to facilitate leasing electric cars. The Company also practices 'cycle to work' scheme as part of its green commute initiative program.

On-site solar electricity generation is implemented in the main office. It is estimated that 17,479.71 kWh of electricity is generated on site in the term period.

FALCON TOWER CRANE SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

POST BALANCE SHEET EVENTS

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

FUTURE DEVELOPMENTS

In 2021, the construction industry has been experiencing a challenging year with the key challenge that the industry and Falcon continues to face being a lack of skilled labour. This has led to rising labour costs and problems in recruiting skilled labour, however, due to Falcon's continuing investment in training over the last few years this problem has not been detrimental to the Company. In addition to a labour skills shortage there has been a sharp rise in price and availability of materials which has led to a small number of construction sites temporarily closing for short periods of time throughout 2021. In spite of these challenges, Falcon has seen the demand for all plant hire grow during the period to date with the Company's enquiries for tender and order book still looking very strong and the Company is continuing to move forward with investing for a sustainable future.

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.

AUDITORS

The auditors, Peters Elworthy & Moore, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

T S Greaves
Director

Date: 29 September 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FALCON TOWER CRANE SERVICES LIMITED

OPINION

We have audited the financial statements of Falcon Tower Crane Services Limited (the 'Company') for the year ended 31 December 2020, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FALCON TOWER CRANE SERVICES LIMITED (CONTINUED)

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FALCON TOWER CRANE SERVICES 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 approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the Company through discussions with management and from our commercial knowledge and experience of the construction sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements, including the Companies Act 2006 and relevant taxation legislation, or the operations of the Company including data protection, employment, health and safety, environment and energy, construction and working practices, and relevant ISO accreditations;
- we obtained an understanding of the Company's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance; and
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence available; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of fraud through management bias and override of controls. In addressing the risk of fraud through management override of controls we:

- tested the appropriateness of journal entries and other adjustments;
- designed procedures to identify unexpected and unusual journal entries and performed testing to confirm the validity of such postings;
- assessed whether the significant accounting judgements and estimates made in the financial statements were indicative of potential bias; and
- evaluated the business rationale of any significant transactions that were unusual or outside the normal course of business.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FALCON TOWER CRANE SERVICES LIMITED (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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.

Sean McCann (Senior Statutory Auditor)

for and on behalf of
Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

29 September 2021

FALCON TOWER CRANE SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	38,555,025	39,007,784
Cost of sales		<u>(33,350,103)</u>	<u>(31,777,279)</u>
GROSS PROFIT		5,204,922	7,230,505
Administrative expenses		<u>(4,902,390)</u>	<u>(5,809,425)</u>
Other operating income	5	<u>1,456,989</u>	<u>-</u>
OPERATING PROFIT	6	1,759,521	1,421,080
Interest receivable	10	1,375	3,159
Interest payable	11	<u>-</u>	<u>(15)</u>
PROFIT BEFORE TAX		1,760,896	1,424,224
Taxation	12	<u>(362,285)</u>	<u>(292,090)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,398,611</u>	<u>1,132,134</u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss account.

The notes on pages 16 to 26 form part of these financial statements.

FALCON TOWER CRANE SERVICES LIMITED
REGISTERED NUMBER: 06475031

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
CURRENT ASSETS			
Stocks	14	104,897	119,039
Debtors	15	28,795,210	27,101,020
Cash at bank and in hand	16	192,214	47,425
		<u>29,092,321</u>	<u>27,267,484</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	17	(11,583,736)	(10,131,828)
NET ASSETS		<u>17,508,585</u>	<u>17,135,656</u>
CAPITAL AND RESERVES			
Called up share capital	18	1,000	1,000
Profit and loss account	19	17,507,585	17,134,656
		<u>17,508,585</u>	<u>17,135,656</u>

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

T S Greaves
Director

Date: 29 September 2021

The notes on pages 16 to 26 form part of these financial statements.

FALCON TOWER CRANE SERVICES LIMITED
REGISTERED NUMBER: 06475031

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	1,000	16,315,669	16,316,669
Profit for the year	-	1,132,134	1,132,134
Dividends	-	(313,147)	(313,147)
At 1 January 2020	1,000	17,134,656	17,135,656
Profit for the year	-	1,398,611	1,398,611
Dividends	-	(1,025,682)	(1,025,682)
AT 31 DECEMBER 2020	<u>1,000</u>	<u>17,507,585</u>	<u>17,508,585</u>

The notes on pages 16 to 26 form part of these financial statements.

FALCON TOWER CRANE SERVICES LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	1,398,611	1,132,134
ADJUSTMENTS FOR:		
Interest expense	-	15
Interest income	(1,375)	(3,159)
Taxation charge	362,285	292,090
Decrease/(increase) in stocks	14,142	(49,397)
Increase in debtors	(1,694,190)	(567,057)
Increase/(decrease) in creditors	801,169	(916,317)
Corporation tax paid	(292,206)	(748,060)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	588,436	(859,751)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,375	3,159
NET CASH FROM INVESTING ACTIVITIES	1,375	3,159
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,025,682)	(313,147)
Interest paid	-	(15)
NET CASH USED IN FINANCING ACTIVITIES	(1,025,682)	(313,162)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(435,871)	(1,169,754)
Cash and cash equivalents at the beginning of the year	(3,863,984)	(2,694,230)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	(4,299,855)	(3,863,984)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR COMPRISE:		
Cash at bank and in hand	192,214	47,425
Bank overdrafts	(4,492,069)	(3,911,409)
	(4,299,855)	(3,863,984)

The notes on pages 16 to 26 form part of these financial statements.

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

1. GENERAL INFORMATION

Falcon Tower Crane Services Limited is a private limited company limited by shares and incorporated in England and Wales. Its registered office address is Shipdham Airfield Industrial Estate, Shipdham, Thetford, Norfolk, IP25 7SD.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 TURNOVER

Sales of goods net of VAT and trade discounts are recognised as turnover when the goods are physically delivered to the customer. The value of services under contracts for hire are recognised as turnover to the extent that there is a right to consideration, and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date, turnover represents the value of the service provided to date based on a proportion of the total expected consideration at completion.

2.3 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 profit or loss.

2.4 DEBTORS

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

2.5 CASH AND CASH EQUIVALENTS

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.6 FINANCIAL INSTRUMENTS

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

2.7 CREDITORS

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

2.8 GOVERNMENT GRANTS

Grants are accounted under the accruals model and those of a revenue nature are recognised in the Profit and Loss Account when the Company becomes entitled to receive the grant funding.

2.9 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

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

2.10 OPERATING LEASES: THE COMPANY AS LESSEE

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.11 FINANCE COSTS

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.12 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.13 PENSIONS

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 INTEREST INCOME

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

2.15 CURRENT AND DEFERRED TAXATION

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

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

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

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

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

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

3.

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Debtors

An allowance for doubtful accounts is maintained for potential credit losses based upon management's assessment of the expected collectability of all accounts receivable. The allowance for doubtful accounts is reviewed periodically to assess the adequacy of the allowance. In making this assessment, management takes into consideration any circumstances of which we are aware regarding a customer's inability to meet its financial obligations.

4. **TURNOVER**

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

	2020 £	2019 £
Tower crane hire	18,672,625	18,065,099
Erection and dismantling	5,219,469	5,294,734
Operator hire	11,188,153	11,968,825
Spares and fuel	1,683,576	1,920,253
Ancillary item hire	1,783,197	1,748,172
Other	8,005	10,701
	<u>38,555,025</u>	<u>39,007,784</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	38,192,510	38,520,181
Rest of Europe	361,735	487,603
Rest of the World	780	-
	<u>38,555,025</u>	<u>39,007,784</u>

FALCON TOWER CRANE SERVICES LIMITED

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

5. OTHER OPERATING INCOME

	2020	2019
	£	£
Government grants receivable	<u>1,456,989</u>	<u>-</u>

Government grants represent amounts receivable under the Coronavirus Job Retention Scheme to cover salaries of furloughed staff.

6. OPERATING PROFIT

The operating profit is stated after charging:

	2020	2019
	£	£
Exchange differences	10,088	(7,034)
Other operating lease rentals	<u>210,324</u>	<u>247,830</u>

7. AUDITORS' REMUNERATION

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>15,500</u>	<u>15,000</u>

OTHER FEES PAYABLE IN RESPECT OF:

Taxation compliance services	<u>3,000</u>	<u>2,950</u>
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FALCON TOWER CRANE SERVICES LIMITED

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

8. EMPLOYEES

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

	2020 £	2019 £
Wages, salaries and social security costs	19,081,298	19,939,618
Defined contribution pension scheme costs	244,894	323,045
	<u>19,326,192</u>	<u>20,262,663</u>

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

	2020 No.	2019 No.
Employees	<u>371</u>	<u>377</u>

9. DIRECTORS' REMUNERATION

	2020 £	2019 £
Directors' emoluments	154,784	121,739
Defined contribution pension scheme costs	37,900	37,394
	<u>192,684</u>	<u>159,133</u>

During the year retirement benefits were accruing to 4 directors (2019 - 4) in respect of defined contribution pension schemes.

10. INTEREST RECEIVABLE

	2020 £	2019 £
Other interest receivable	<u>1,375</u>	<u>3,159</u>

11. INTEREST PAYABLE

	2020 £	2019 £
Bank interest payable	<u>-</u>	<u>15</u>

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

12. TAXATION

	2020 £	2019 £
CURRENT TAX		
Current tax on profits for the year	362,169	292,090
Adjustments in respect of previous periods	116	-
TOTAL TAX CHARGE FOR THE YEAR	362,285	292,090

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	1,760,896	1,424,224
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	334,570	270,603
EFFECTS OF:		
Expenses not deductible for tax purposes	10,432	4,996
Capital allowances in excess of depreciation	(124,611)	(10,133)
Other fixed asset differences	141,349	26,345
Short term timing differences	429	279
Adjustments to tax charge in respect of prior periods	116	-
TOTAL TAX CHARGE FOR THE YEAR	362,285	292,090

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The closing deferred tax position has been calculated at 19.00% (2020 - 19.00%) in accordance with the rates enacted at the statement of financial position date. In the UK Budget Statement on 3 March 2021, the Chancellor announced the intention for corporation tax to rise to a headline rate of 25% from 1 April 2023, which was subsequently enacted into law when the Finance Act 2021 was given Royal Assent on 10 June 2021. This change will not have a material impact on the Company's unrecognised deferred tax asset.

FALCON TOWER CRANE SERVICES LIMITED

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

13. DIVIDENDS

	2020 £	2019 £
Dividends on equity capital	<u>1,025,682</u>	<u>313,147</u>

14. STOCKS

	2020 £	2019 £
Finished goods	<u>104,897</u>	<u>119,039</u>

15. DEBTORS

	2020 £	2019 £
Factored debts	8,692,131	8,485,483
Other debtors	19,893,680	18,495,565
Prepayments and accrued income	<u>209,399</u>	<u>119,972</u>
	<u>28,795,210</u>	<u>27,101,020</u>

16. CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at bank and in hand	192,214	47,425
Less: bank overdrafts	<u>(4,492,069)</u>	<u>(3,911,409)</u>
	<u>(4,299,855)</u>	<u>(3,863,984)</u>

FALCON TOWER CRANE SERVICES LIMITED

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

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Bank overdrafts	4,492,069	3,911,409
Trade creditors	3,222,755	3,572,779
Corporation tax	427,169	357,090
Other taxation and social security	1,182,987	638,722
Other creditors	49,129	270,484
Accruals and deferred income	2,209,627	1,381,344
	<u>11,583,736</u>	<u>10,131,828</u>

Bank overdrafts at 31 December 2020 of £4,492,069 (2019 - £3,911,409) are secured on factored trade debts (as disclosed in note 15) and by a first fixed and floating charge over the assets of the Company.

18. SHARE CAPITAL

	2020 £	2019 £
ALLOTTED, CALLED UP AND FULLY PAID		
200 (2019 - 200) A Ordinary shares of £1 each	200	200
200 (2019 - 200) B Ordinary shares of £1 each	200	200
200 (2019 - 200) C Ordinary shares of £1 each	200	200
200 (2019 - 200) D Ordinary shares of £1 each	200	200
200 (2019 - 200) E Ordinary shares of £1 each	200	200
	<u>1,000</u>	<u>1,000</u>

19. RESERVES

Profit and loss account

Includes all current and prior period retained profits and losses.

FALCON TOWER CRANE SERVICES LIMITED

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

20. ANALYSIS OF NET DEBT

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	47,425	144,789	192,214
Bank overdrafts	(3,911,409)	(580,660)	(4,492,069)
	<u>(3,863,984)</u>	<u>(435,871)</u>	<u>(4,299,855)</u>

21. CONTINGENT LIABILITIES

On 21 June 2017 there was a tragic accident involving the collapse of a crane in Crewe, which resulted in the death of three employees of the Company. There is an ongoing investigation and, at present, it is too early to know if there will be any financial implications on the Company.

22. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost represents contributions payable by the Company to the fund and amounted to £244,894 (2019 - £323,045). Contributions totaling £39,166 (2019 - £79,815) were payable to the fund at the balance sheet date and are included within other creditors.

23. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	186,185	153,467
Later than 1 year and not later than 5 years	303,536	337,108
Later than 5 years	708,000	720,000
	<u>1,197,721</u>	<u>1,210,575</u>

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

24. TRANSACTIONS WITH DIRECTORS

As at 31 December 2020 amounts owed to the Company by directors, which are included within other debtors, were as follows:

A A Brown	£NIL (2019 - £20,000)
B I Brown	£203,387 (2019 - £NIL)
P G Gale	£196,613 (2019 - £80,000)
I Gray	£NIL (2019 - £20,000)
S Paxman	£NIL (2019 - £80,000)

These balances are not secured, do not incur any interest and are repayable on demand. Subsequent to the year end all outstanding balances have been repaid.

25. RELATED PARTY TRANSACTIONS

During the year, the Company purchased goods and services from companies under common control amounting to £10,974,013 (2019 - £8,911,486) and recharged expenses to those companies amounting to £3,321,812 (2019 - £4,648,538).

The balance due from these companies under common control as at 31 December 2020 amounted to £19,021,485 (2019 - £17,748,727) which is included within other debtors. These balances are not secured, do not incur any interest and are repayable on demand.

26. CONTROLLING PARTY

The Company is under the control of its shareholders however no single shareholder exercises individual control.

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