

Registered Number 03304503

Trinity Fire and Security Systems LTD
Annual report and financial statements
for the 18 month period ended 31 December 2019



Trinity Fire and Security Systems LTD

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Trinity Fire and Security Systems LTD

Strategic report for the 18 month period ended 31 December 2019

The directors present their strategic report on the company for the 18 month period ended 31 December 2019. (the financial year having been changed following its recent acquisition from 30 June to 31 December).

Review of the business

The principal activity of the company during the period was the design, installation, maintenance and ongoing support of fire detection, security and associated life safety systems.

Results and key financial performance indicators

As shown in the statement of comprehensive income on page 8, the company's turnover increased by 79.5% at the reported level to £65,989,100 (12 months to 30 June 2018: £36,768,792); this equated to 19.6% growth on a consistent year basis. Operating margin (before exceptional items) increased by 76% to 4.4% (12 months to 30 June 2018: 2.5%). These results reflect a continuing focus on the company's strategy of enhancing profitability by driving growth and efficiency improvements. The company has a nationwide engineering base, a national spread of office locations and has invested in enhanced, integrated systems to monitor and control work done by the company's nationwide engineering base.

There are many financial and operating performance indicators regularly monitored by the company; the primary key financial performance indicators are:

- Turnover growth: 19.6% (12 months to 30 June 2018: 3.9%).
- Operating profit percentage before exceptional items: 4.4% (12 months to 30 June 2018: 2.5%).

Summary and outlook

The company has performed well over the past period, as illustrated by strong revenue growth and an improving operating margin.

The company continues to explore opportunities to grow organically and is having a good year in 2020 with turnover growth, excluding the impact of the Spring 2020 Covid lockdown, and improved operating margin. The directors are confident that 2020 will be another year of satisfactory progress.

Principal risks and uncertainties

The directors manage the risks and uncertainties at a group level, rather than at an individual company level. The principal risks and uncertainties of Bernard Parentco Group and its subsidiaries ('the group'), which include those of the company, are discussed within the 'Principal risks and uncertainties' section in the strategic report of the group's annual report and financial statements which does not form part of this report. The risks of the company are considered to be integrated with those of the group.

As a result of the Bernard Parent Group governance structure whereby the entity board is embedded within the group board, the matters that it is responsible for considering under Section 172 (1) of the Companies Act 2006 ('s172') have been considered to an appropriate extent by the group board in relation both to the group and to this entity where appropriate. To the extent necessary for an understanding of the development, performance and position of the entity, an explanation of how the group board has considered the matters set out in s172 (for the group and for the entity) is set out on page 4 of the group's annual report, which does not form part of this report.

On behalf of the board



P W Teasdale
Director
26th February 2021

Trinity Fire and Security Systems LTD

Directors' report for the 18 month period ended 31 December 2019

The directors present their report and the audited financial statements of the company for the 18 month period ended 31 December 2019.

During the period, on 18th January 2019, 100% of the share capital of the company was acquired by PTSG Electrical Services Limited.

Principal activities

The principal activity of the company during the period was the design, installation, maintenance and ongoing support of fire detection, security and associated life safety systems.

Dividends

No dividends (2018 £ Nil) were paid or proposed during the period.

Directors

The directors who held office during the period and to the date of signing the financial statements are:

P A Clayton

S R Corbett

A R Cotton

R D Holliday (resigned 30 December 2020)

P W Teasdale (appointed 18 January 2019)

R P Teasdale (appointed 18 January 2019)

M Watford (appointed 18 January 2019)

A J Coates (appointed 18 January 2019)

S A Bedford (appointed 18 January 2019, resigned 10 October 2019)

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity has been in force since the acquisition and is currently in force. The Company also purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its Directors.

Financial risk management

Due to the nature of the financial instruments used by the company comprising bank balances, trade creditors, trade debtors and finance lease agreements, there is no exposure to price risk. Liquidity and interest rate cash flow risk is managed by regular monitoring of these areas by directors.

The company monitors credit risk closely and considers that its current policies meet its objectives of managing exposure to the risk. The company has no significant concentration of credit risk.

Business review and future developments

A review of the company's operations and future developments is covered in the strategic report.

Economic environment

The continuing economic uncertainty may affect the markets we operate in however post Grenfell the demand for fire detection and life safety systems is high. COVID-19 is likely to have an impact on the market and we have implemented contingency plans to mitigate the effect on the Company's operations and employees. We continually review exposure to our key markets to ensure that we maintain a balanced portfolio of projects across the market.

Employees

Full and fair consideration is given to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged.

Trinity Fire and Security Systems LTD

Directors' report for the 18 month period ended 31 December 2019 (continued)

Statement of disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirm that there is no relevant audit information of which the company's auditors are unaware. Each director has taken the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Additionally, the Financial Conduct Authority's Disclosure Guidance and Transparency Rules require the directors to prepare the group financial statements in accordance with international financial reporting standards adopted in conformity with the requirements of the Companies Act 2006

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether for the company, international accounting standards in conformity with the requirements of the Companies Act 2006 and, for the group, international financial reporting standards adopted in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Independent auditors

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

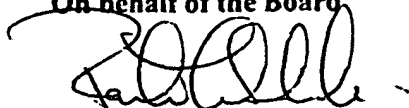
Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support from Bernard Parentco Limited supported by the cash flows of the Parentco Group. The Group management has produced forecasts for the Group that have also been sensitised to reflect plausible downside scenarios as a result of the COVID-19 pandemic and its impact on the global economy, which have been reviewed by the Group directors. These demonstrate the Group is forecast to generate profits and cash and that the Group has sufficient cash reserves to enable the Group to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements.

The directors of Trinity Fire and Security Systems LTD have received confirmation that this support will be for a period of at least 12 months from the date of signing of these financial statements.

Covid 19 is considered a non-adjusting post balance sheet event and is covered by note 22.

On behalf of the Board



P W Teasdale
Director
26th February 2021

Trinity Fire and Security Systems LTD

Independent auditors' report to the members of Trinity Fire and Security Systems LTD

Report on the audit of the financial statements

Opinion

In our opinion, Trinity Fire and Security Systems LTD's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the 18 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2019; the Statement of comprehensive income and the Statement of changes in equity for the 18 month period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below

Trinity Fire and Security Systems LTD

Independent auditors' report to the members of Trinity Fire and Security Systems LTD (continued)

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Nicholas Cook (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

26 February 2021

Trinity Fire and Security Systems LTD

Statement of comprehensive income for the 18 month period ended 31 December 2019

		18 month period ended 31 December 2019	Year ended 30 June 2018
	Note	£	£
Revenue		65,989,100	36,768,792
Cost of sales		(42,027,419)	(24,053,808)
Gross profit		23,961,681	12,714,984
Administrative expenses		(21,183,434)	(11,789,005)
Operating profit before exceptional items		2,874,257	925,979
Exceptional items (administrative expenses)	5	(96,010)	-
Operating profit	4	2,778,247	925,979
Interest payable and similar expenses	8	(18,046)	(4,844)
Profit before taxation		2,760,201	921,135
Tax on profit	9	(18,242)	(194,458)
Profit for the financial period / year		2,741,959	726,677
Other comprehensive income		-	-
Total comprehensive income for the period / year		2,741,959	726,677

All of the above results derive from continuing operations.

Trinity Fire and Security Systems LTD

Statement of changes in equity for the 18 month period ended 31 December 2019

	Called up share Capital £	Share premium account £	Capital Redemption reserve £	Profit and loss account £	Total shareholders' funds £
Balance as at 1 July 2017	107,480	94,930	59,204	2,039,520	2,301,134
Profit for the financial year	-	-	-	726,677	726,677
Total comprehensive income for the year	-	-	-	726,677	726,677
Balance as at 30 June 2018	107,480	94,930	59,204	2,766,197	3,027,811
Profit for the financial period	-	-	-	2,741,959	2,741,959
Total comprehensive income for the period	-	-	-	2,741,959	2,741,959
Balance as at 31 December 2019	107,480	94,930	59,204	5,508,156	5,769,770

Trinity Fire and Security Systems LTD

Balance sheet as at 31 December 2019

	Note	As at 31 December 2019 £	As at 30 June 2018 £
Fixed assets			
Intangible assets	10	73,621	16,565
Tangible assets	11	586,638	735,940
		660,259	752,505
Current assets			
Stocks	12	796,046	575,766
Debtors	13	12,670,143	10,399,411
Cash at bank and in hand		2,641,647	1,419,623
		16,107,836	12,394,800
Creditors: amounts falling due within one year	15	(10,962,509)	(10,041,920)
Net current assets		5,145,327	2,352,880
Total assets less current liabilities		5,805,586	3,105,385
Creditors: amounts falling due after more than one year	16	-	(60,000)
Deferred tax provision	14	(35,816)	(17,574)
Net assets		5,769,770	3,027,811
Capital and reserves			
Called up share capital	20	107,480	107,480
Share premium account		94,930	94,930
Capital Redemption reserve		59,204	59,204
Profit and loss account		5,508,156	2,766,197
Total shareholders' equity		5,769,770	3,027,811

The financial statements on pages 8 to 22 were approved by the Board of directors on 26th February 2021 and were signed on its behalf by:



P W Teasdale
Director

Registered number: 03304503

Trinity Fire and Security Systems LTD

Notes to the financial statements for the 18 month period ended 31 December 2019

1 General Information

Trinity Fire and Security Systems LTD is a private limited company incorporated and domiciled in England, UK and limited by shares. The address of the registered office is 13 Flemming Court, Whistler Drive, Castleford, West Yorkshire, England, WF10 5HW (registered company number is 03304503). The Company's principal activity is that of the design, installation, maintenance and ongoing support of fire detection, security and associated life safety system.

2 Accounting policies

The principal accounting policies are set out below and have been applied consistently throughout the period

Basis of preparation

This is the first period in respect of which the company has prepared its financial statements under FRS 101. The previous financial statements for the year ended 30 June 2018 were prepared under FRS 102. The date of transition to FRS 101 for the company is 1 July 2018. Set out below are descriptions of the various implementation options applied by the company in preparing the financial statements for the period ended 31 December 2019, as well as reconciliations from FRS 102 to FRS 101 for both total comprehensive income for the year ended 30 June 2018 and total equity as at 1 July 2017 and 30 June 2018.

Exceptions and Exemptions used during transition to FRS 101

The company has applied the mandatory exception required by IFRS1 in the conversion from FRS 102 to FRS 101.

Estimates

Estimates made as at 1 July 2017 under FRS 101 are consistent with those made previously under FRS 102

Adjustments Made in Connection with Transition to FRS 101

No adjustments were identified or made and as such :

- Total Equity as at 30 June 2018, under both FRS 102 and FRS 101, was £3,027,811
- Total Comprehensive Income for the year ended 30 June 2018, under both FRS 103 and FRS 101, was £726,677
- Total Equity as at 1 July 2017, under both FRS 102 and FRS 101, was £2,301,134

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101 "Reduced Disclosure Framework"

The preparation of financial statements in conformity with FRS101 "Reduced Disclosure Framework" requires the use of certain critical accounting estimates. It also requires management to exercise its 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 3.

Trinity Fire and Security Systems LTD

Notes to the financial statements for the 18 month period ended 31 December 2019 (continued)

2. Accounting policies (continued)

The following exemptions from the requirements of IFRS have been implied in the preparation of these financial statements, in accordance with FRS101 "Reduced Disclosure Framework":

- The requirements of IAS 7 "Statement of cash flows";
- new IFRSs that have been issued but are not yet effective and which have not been applied by the Company;
- The requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of: paragraph 79 (a) (iv) of IAS 1, paragraph 73 (e) of IAS 16 "Property, Plant and Equipment" and paragraph 118 (e) of IAS 38 "Intangible Assets";
- financial instruments disclosures required by IFRS 7 "Financial Instruments: Disclosures";
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated";
- The requirements of the second sentence of paragraph 110 and paragraphs 113 (a), 114, 115, 118, 119 (a)-(c), 120-127 and 129 of IFRS 15 "Revenue from contracts with customers";
- The requirements of paragraph 52, 58, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- The requirements of paragraphs 45 (b) and 46 to 52 of IFRS 2 "Share-based Payment";
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.
- The requirements of paragraphs 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";
- The requirements of paragraphs 17 and 18A of IAS 24 "Related Party Disclosures" and the requirements in IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more wholly-owned members of a group; and
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 "Presentation of Financial Statements".

New standards and interpretations

No new accounting standards or amendments to accounting standards, or IFRIC interpretations that are effective for the 18 month period ended 31 December 2019, have a material impact on the company.

Revenue

Revenue is measured at the fair value of the consideration received as receivable (excluding value added tax and discount given) derived from the provision of goods and services to customers during the period. All the company's revenue arises from the company's principal activity in the United Kingdom.

Installation- the company enters in to contracts to design and install fire alarm and security systems. Revenue is recognised (to the extent that performance has taken place at the balance sheet date in accordance with the percentage completion method) in the accounting period in which the services are rendered, by reference to the stage of completion of the contract at the balance sheet date and assesses on the basis of the actual services provided as a proportion of the total services to be provided.

Test, inspection and repair – the company maintains, tests, inspects and repairs fire alarm and security systems. Revenue is recognised on completion of the relevant work and the company has objective evidence that all criteria for acceptance have been satisfied.

Trinity Fire and Security Systems LTD

Notes to the financial statements for the 18 month period ended 31 December 2019 (continued)

2. Accounting policies (continued)

Goodwill

Goodwill arising on acquisitions comprises the excess of the fair value of the consideration for investments in subsidiary undertakings over the fair value of the net identifiable assets acquired at the date of the acquisition. Goodwill arising on acquisitions of subsidiaries is included in intangible assets.

Goodwill is not amortised but is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposals of an entity include the carrying value of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of the impairment testing. Each of these cash-generating units represents the lowest level in the company at which the associated level of goodwill is monitored for management purposes and are not larger than the operating segments determined in accordance with IFRS 8, "Operating Segments".

Tangible assets

Tangible assets are included at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life as follows:

Leasehold	5 years
Plant and machinery	3 years
Office and computer equipment	2 to 5 years
Fixture and fittings	5 years

Finance lease agreements

Assets held under finance lease agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is determined using the first-in-first-out (F.I.F.O) method.

Trade and Other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that arise principally through the provision of services to customers. They are initially stated at fair value, and are subsequently stated at amortised cost using the effective interest method. They are included in current assets.

Trade and Other payables

Trade and other payables are initially stated at fair value and subsequently measured at amortised cost.

Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide clearer understanding of the underlying financial performance of the company. They are items of income or expense that have been shown separately due to the significance of their nature or amount.

Trinity Fire and Security Systems LTD

Notes to the financial statements for the 18 month period ended 31 December 2019 (continued)

2. Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Following a decision of the IFRS Interpretations Committee in April 2016 in relation to IAS 32, the Company can no longer report cash balances on a net basis.

Share capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from the proceeds.

Income tax

Income tax for the periods presented comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items directly recognised in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustments to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of other assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based upon the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balance on the net basis.

Trinity Fire and Security Systems LTD

Notes to the financial statements for the 18 month period ended 31 December 2019 (continued)

2 Accounting Policies (continued)

Financial instruments

Initial Measurement of Financial instruments

All financial instruments are initially measured at fair value plus or minus in the case of a financial asset or financial liability not a fair value through profit or loss, transaction costs.

Subsequent measurement of financial assets

IFRS9 divides all financial assets into two classifications – those measured at amortised cost and those measured at fair value. Where assets are measured at fair value, gains and losses are either recognised entirely in profit and loss (fair value through profit and loss “FVTPL”), or recognised in other comprehensive income (fair value through other comprehensive income “FVTOCI”). The classification of a financial asset is made at the time it is initially recognised. If certain conditions are met, the classification of assets may subsequently need to be reclassified.

Subsequent measures of financial liabilities

IFRS9 divides all financial assets liabilities into two measurement categories: FVPTL and amortised costs. All the companies liabilities are measured at amortised cost.

Derecognition of financial assets

A financial asset is derecognised when the Company determines it has transferred substantially all of the risks and reward of ownership of the asset.

Derecognition of financial liabilities

A financial liability is removed from the balance sheet when it is extinguished: that is, when the obligation specified in the contract is either discharged, or cancelled or expires.

3 Critical Accounting Judgements and Estimates

The preparation of the financial statements under FRS 101 “Reduced Disclosure Framework” requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historic experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The Directors consider that the following estimates and judgements are likely to have the most significant effect on the amounts recognised in the financial statements:

Trade receivables

Trade receivables and accrued income are continually reviewed for impairment and provided for where necessary. The Directors assess the requirement for any provision based on the age of the debt or accrued income compared to agreed terms, recent history of default and current economic climate. As such there is an element of judgement in estimating the probable losses inherent in trade receivables.

Revenue recognition

Certain of the company’s installation contracts have a term of several months. The Directors assess the timing of the revenue according to the extent to which performance has taken place. As such, an element of judgement is required when assessing the stage of completion at a period end.

Trinity Fire and Security Systems LTD

Notes to the financial statements for the 18 month period ended 31 December 2019 (continued)

4 Operating Profit

	18 month period ended 31 December 2019 £	Year ended 30 June 2018 £
Operating profit is stated after (crediting)/charging:		
Depreciation of owned tangible fixed assets	454,916	311,701
Amortisation expense	7,110	4,740
Loss on disposal of fixed assets	-	6,405
Operating lease expense – property	726,701	418,491
Operating lease expense – other	2,316,064	1,355,792
Exceptional costs	96,010	
Auditors' remuneration:		
- Statutory audit of the financial statements	34,500	18,500
- Tax compliance	3,000	

5 Exceptional Items (administrative expenses)

Analysis of the charge in the financial period/ year	18 month period ended 31 December 2019 £	Year ended 30 June 2018 £
Restructuring costs	52,678	-
NI cost of unapproved share options	43,332	-
	96,010	-

Trinity Fire and Security Systems LTD

Notes to the financial statements for the 18 month period ended 31 December 2019 (continued)

6 Employees

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

	18 month period ended 31 December 2019	Year ended 30 June 2018
	Number	Number
Production	205	188
Administration and Support	176	167
	381	355

The aggregate payroll costs of these persons were as follows:

	18 month period ended 31 December 2019	Year ended 30 June 2018
	£	£
Wages and salaries	23,080,437	14,088,357
Social security costs	2,521,207	1,518,084
Other pension costs	592,597	295,393
	26,194,241	15,901,834

7 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	18 month period ended 31 December 2019	Year ended 30 June 2018
	£	£
Aggregate emoluments	819,239	574,560
Pension contributions	86,577	33,765

Certain directors are remunerated via other group companies and their emoluments are disclosed in the financial statements of those companies. There are no share options and no compensation for loss of office was paid to any director.

Remuneration of highest paid director:

	18 month period ended 31 December 2019	Year ended 30 June 2018
	£	£
Aggregate emoluments	237,500	164,625
Other pension costs	13,630	11,940
	251,130	176,565

Trinity Fire and Security Systems LTD

Notes to the financial statements for the 18 month period ended 31 December 2019 (continued).

8 Interest payable and similar expenses

	18 month period ended 31 December 2019	Year ended 30 June 2018
	£	£
Finance charges	18,046	4,844

9 Tax on profit

Analysis of the tax charge in the financial period/ year	18 month period ended 31 December 2019	Year ended 30 June 2018
	£	£
UK corporation tax	-	232,566
Adjustments in respect of prior years	-	951
Deferred tax:		
Origination and reversal of timing differences	18,242	(39,059)
Taxation on profit	18,242	194,458

The tax assessed on the profit before taxation for the period is lower than (12 months to 30 June 2018:same as) the standard rate of corporation tax in the UK of 19.0% (12 months to 30 June 2018: 19.0%). The differences are reconciled below:

	18 month period ended 31 December 2019	Year ended 30 June 2018
	£	£
Profit before taxation	2,760,201	921,135
Profit before taxation multiplied by the standard rate of corporation tax in the UK 19.0% (2018: 19.0%)	524,438	175,016
Effects of:		
Other expenses not deductible	7,285	18,491
Group relief received	(597,845)	-
Depreciation in excess of capital allowances	84,364	-
Adjustments in respect of prior years	-	951
Total tax charge for the financial period/ year	18,242	194,458

The tax rate for the current period is lower than the prior year due to changes in the UK Corporation tax rate which decreased from 20% to 19% from 1 April 2018.

Factors affecting current and future tax rates

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2016 on 7 September 2016. These include reductions to the main rate to reduce the rate to 19% from 1 April 2018 and to 17% from 1 April 2020. Deferred tax at the balance sheet date has been measured using these enacted rates and reflected in these financial statements.

Trinity Fire and Security Systems LTD

Notes to the financial statements for the 18 month period ended 31 December 2019 (continued)

10 Intangible assets

	Goodwill	Software	Total
	£	£	£
Cost:			
At 1 July 2018	95,000	-	95,000
Additions	-	64,166	64,166
At 31 December 2019	95,000	64,166	159,166
Accumulated amortisation:			
At 1 July 2018	78,435	-	78,435
Charge for the period	7,110	-	7,110
At 31 December 2019	85,545	-	85,545
Net Book value:			
At 31 December 2019	9,455	64,166	73,621
At 30 June 2018	16,565	-	16,565

11 Tangible assets

	Leasehold	Plant and Machinery	Office and Computer Equipment	Fixtures and Fittings	Total
	£	£	£	£	£
Cost:					
At 1 July 2018	589,095	347,349	422,560	58,745	1,417,749
Additions	21,051	128,702	137,742	18,119	305,614
At 31 December 2019	610,146	476,051	560,302	76,864	1,723,363
Accumulated depreciation:					
At 1 July 2018	151,472	180,495	321,601	28,241	681,809
Charge for the period	127,621	161,792	147,569	17,934	454,916
At 31 December 2019	279,093	342,287	469,170	46,175	1,136,725
Net book value:					
At 31 December 2019	331,053	133,764	91,132	30,689	586,638
At 30 June 2018	437,623	166,854	100,959	30,504	735,940

Trinity Fire and Security Systems LTD

Notes to the financial statements for the 18 month period ended 31 December 2019 (continued)

12 Stocks

	As at 31 December 2019	As at 30 June 2018
	£	£
Finished goods	796,046	575,766

The carrying amount of inventory is equal to the replacement cost.

13 Debtors

	As at 31 December 2019	As at 30 June 2018
	£	£
Trade debtors	9,250,072	7,904,420
Amounts owed by related parties	1,448,146	1,430,781
Prepayments and accrued income	1,971,925	1,064,210
	12,670,143	10,399,411

Amounts owed by group undertakings are unsecured, interest free and payable on demand

14 Deferred tax provision

Deferred tax recognised in the financial statements, and the amount unrecognised of the total asset, are as follows:

	Amount recognised	
	2019	2018
	£	£
Accelerated capital allowances	35,816	17,574
		£
Movement in the period:		
At 1 July 2018		17,574
Deferred tax charged in profit and loss account		18,242
At 31 December 2019		35,816

Trinity Fire and Security Systems LTD

Notes to the financial statements for the 18 month period ended 31 December 2019 (continued)

15 Creditors: amounts falling due within one year

	As at 31 December 2019	As at 30 June 2018
	£	£
Bank overdraft	-	13
Trade creditors	4,909,202	5,315,628
Accrued expenses	2,600,531	3,454,227
Other taxation and social security	1,053,904	982,689
Corporation tax	-	232,566
Outstanding defined contribution pension costs	87,497	56,797
Amount owing to other group companies	2,311,375	-
	10,962,509	10,041,920

Amounts owed to group undertakings are unsecured, interest free and payable on demand. The finance lease liability is secured over the assets financed by finance leases.

16 Creditors: amounts falling due after more than one year

	As at 31 December 2019	As at 30 June 2018
	£	£
Other creditors	-	60,000
	-	60,000

17 Operating lease commitments

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2019	2018
	£	£
Within 1 year	731,734	1,133,341
Within 2 to 5 years	901,408	1,327,462
After more than 5 years	5,314	21,255
	1,638,456	2,482,058

Trinity Fire and Security Systems LTD

Notes to the financial statements for the 18 month period ended 31 December 2019 (continued)

18 Contingencies

An unlimited multilateral company guarantee given by this company and other members of the group to secure all liabilities of each other.

19 Related party transactions

The company is wholly owned by the parent company and has taken advantage of the exemption in FRS 101 "Reduced Disclosure Framework" Related Party Disclosures to not disclose transactions with its parent company and other wholly owned subsidiaries within the group.

20 Called up share capital

	As at 31 December 2019	As at 30 June 2018
	£	£
Authorised, Allotted and fully paid		
107,479 (2018: 107,479) ordinary A shares of £1 each	107,479	107,479
1 (2018: 1) ordinary B shares of £1 each	1	1
	107,480	107,480

21 Ultimate parent undertaking and controlling party

The immediate parent undertaking is PTSG Electrical Services Limited.

The parent company (the smallest group of undertakings in the UK to consolidate these financial statements as at 31 December 2019) and controlling party is Bernard Parentco Limited. The consolidated financial statements of Bernard Parentco Limited are available from 13 Flemming Court, Whistler Drive, Castleford, West Yorkshire, WF10 5HW. The ultimate parent company (the largest group of undertakings for which group financial statement are drawn up) is Macquarie Group Limited, a company incorporated in Australia.

22 Non adjusting events after the financial period

In early 2020, the existence of a new coronavirus ("COVID-19") was confirmed as a global pandemic and has since spread across a number of countries, leading to disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The Company considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event. Given the inherent uncertainties, it is not practicable at this time to determine the potential quantitative impact of COVID-19 on the balance sheet of the Company.