

Section 172(1) of the Companies Act 2006

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. Corporate Governance within Workdry International Limited provides a framework to ensure that decisions made by the Board are in the interest of the long-term success of the company and stakeholders. When making decisions the Board will have regard to the impact of its activities on employees, the community, the environment and the Company's reputation for good business conduct by acting in good faith and fairly.

During 2020 key decisions taken by the Board included:

Response to Covid-19:

The Covid-19 pandemic has had a dramatic impact across the country in 2020 and it has also been the dominant subject for the Group across 2020.

- In March the Directors prepared a stress test of the business plan to model a likely worst case scenario impact of the pandemic and slower recovery in order to understand the financial strain likely to be experienced. This enabled the Directors to liaise swiftly with the bank to ensure a clear plan of action was agreed. This did not require additional funding to be arranged, as decisions were taken by the Directors to defer capital expenditure where appropriate and effectively manage the cost base during the downturn.
- At this time the Business Continuity process was initiated which enabled specific and tiered management teams to assess and respond rapidly to the changing situation and put into effect measures to manage ongoing business operations safely, ensure that the business was able to create a Covid secure operation, both within the company and at external sites for all staff to follow, ensuring not only their safety, but also that of customers and other stakeholders.
- Due to a significant impact in activity levels across the business a number of roles were furloughed.
- Enhanced focus was placed on cash flow management within the business, but the Directors considered the impact of the crisis on its suppliers and sought to ensure that payments would continue in line with agreed terms and where appropriate work closely with key strategic suppliers to support ongoing provision of products or services.
- A number of decisions were agreed by the Directors as part of the Business Continuity response process to support the shift to working from home across the business and provide appropriate resources as quickly as possible to support this.

Decision to close two branches servicing the Plant Hire business:

Within the Plant Hire business unit of the group, the Board closely monitored the performance in relation to both the long-term market conditions, the impact of Covid-19 and the future outlook for business performance. It was decided that the core heartland for the business was the strategic priority for the success of the business unit overall and made the difficult decision in September 2020 to close 2 branches. This decision would deliver a more efficient operation by redistributing assets across the remaining locations to protect revenue generation, but also reduce the operational cost base. The Board looked to ensure employee roles were relocated where possible, but a number of redundancies were necessary.

Brexit:

As the year progressed a work group was formed to update the Directors on what impacts the agreed trading agreement would have on the business and what processes and actions would be needed to implement. However, as this agreement was made very late in 2020 some of the operational impacts were only just being felt and understood fully at the beginning of 2021. The Directors are content that the actions considered and the ability to adapt processes will not have a significant impact on business performance. While the business carries out both imports and exports with the EU, the ongoing Covid-19 pandemic has created some ambiguity as to any underlying level of economic impact of Brexit through reduced trade but has considered that this should not be material to the Company's long-term strategy and performance.

Throughout 2021, the Board will continue to review and challenge how the company can improve engagement with its employees and stakeholders.

On behalf of the board

R A Brown

Director

Date: 25 February 2021