
FALCON CRANE HIRE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



FALCON CRANE HIRE LIMITED

COMPANY INFORMATION

DIRECTOR	D C Genge
REGISTERED NUMBER	01754008
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 CRANE HIRE LIMITED

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FALCON CRANE HIRE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

INTRODUCTION

The directors present their annual report and financial statements for the year ended 31 December 2015.

BUSINESS REVIEW

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

The director is pleased with the results for the year. The improved economic conditions have led to increased sales and a higher number of cranes in use.

PRINCIPAL RISKS AND UNCERTAINTIES

Although a modest improvement to the market for tower crane hire to the construction industry is reported, it remains uncertain in the current economic climate.

The company seeks to manage the growth of customers during the present improvement, and to respond quickly to changing conditions. The company is continuing its policy of disposing of old less efficient cranes, particularly to overseas markets. The consequent cash flow benefits have been re-invested in new, more efficient and better quality machinery. The renewal policy of improving the hire fleet will continue as the market improves. The company will therefore be well placed to take advantage of continuing market improvements.

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 financial obligations.

FINANCIAL KEY PERFORMANCE INDICATORS

The company's financial key performance indicator is turnover. Turnover has exceeded the prior year and expectations due to improved market conditions. The company's non-financial key performance indicator is the number of cranes in use. The improved market conditions have again meant that this indicator is in excess of both the prior year and target for 2015.

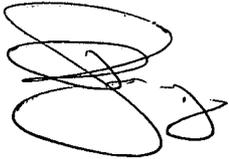
FUTURE DEVELOPMENTS

The director is optimistic that the economic recovery experienced in 2015 will continue to improve in 2016. The policy of updating our strong fleet of tower cranes will continue throughout the year, however we anticipate a decline in exports in order for the machines to be utilised in our hire fleet. The group's training and investment in people policy will continue through 2016 to meet the needs of our ever expanding customer base.

FALCON CRANE HIRE LIMITED

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

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



**D C Genge
Director**

Date: 13-09-16

FALCON CRANE HIRE LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The director presents his report and the financial statements for the year ended 31 December 2015.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £1,649 (2014 - loss £91,953).

No dividend is recommended for the year ended 31 December 2015.

DIRECTOR

The director who served during the year was:

D C Genge

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the strategic report, the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that he gives 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 director is required to:

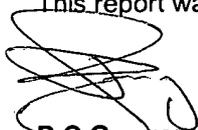
- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

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:



D C Genge
Director

Date: 13-09-16

FALCON CRANE HIRE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FALCON CRANE HIRE LIMITED

We have audited the financial statements of Falcon Crane Hire Limited for the year ended 31 December 2015, set out on page 24. The financial reporting framework that has been applied in their preparation is applicable law and the 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'.

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

FALCON CRANE HIRE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FALCON CRANE HIRE LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Laragh Jeanroy (senior statutory auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

20 September 2016

FALCON CRANE HIRE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
Turnover	3	13,897,091	22,173,292
Cost of sales		(12,175,971)	(20,359,214)
GROSS PROFIT		1,721,120	1,814,078
Administrative expenses		(1,682,145)	(1,749,999)
OPERATING PROFIT	4	38,975	64,079
Interest payable and expenses	8	(55,790)	(68,875)
LOSS BEFORE TAX		(16,815)	(4,796)
Tax on loss	9	15,166	(87,157)
LOSS FOR THE YEAR		(1,649)	(91,953)

There was no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.

There was no other comprehensive income for 2015 (2014 - £NIL).

FALCON CRANE HIRE LIMITED
REGISTERED NUMBER: 01754008

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	<i>As restated</i> 2014 £
FIXED ASSETS			
Tangible assets	10	510,702	653,953
		510,702	653,953
CURRENT ASSETS			
Stocks	11	32,500	33,540
Debtors: amounts falling due within one year	12	11,045,802	14,963,287
Cash at bank and in hand	13	676,458	234,836
		11,754,760	15,231,663
Creditors: amounts falling due within one year	14	(6,367,774)	(9,934,707)
NET CURRENT ASSETS		5,386,986	5,296,956
TOTAL ASSETS LESS CURRENT LIABILITIES		5,897,688	5,950,909
Creditors: amounts falling due after more than one year	15	(158,300)	(209,872)
NET ASSETS		5,739,388	5,741,037
CAPITAL AND RESERVES			
Called up share capital	19	140,000	140,000
Profit and loss account	18	5,599,388	5,601,037
		5,739,388	5,741,037

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



D C Genge
Director

The notes on pages 9 to 24 form part of these financial statements.

FALCON CRANE HIRE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	140,000	5,601,037	5,741,037
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(1,649)	(1,649)
AT 31 DECEMBER 2015	<u>140,000</u>	<u>5,599,388</u>	<u>5,739,388</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Share capital £	Retained earnings £	Total equity £
At 1 January 2014	140,000	5,692,990	5,832,990
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(91,953)	(91,953)
AT 31 DECEMBER 2014	<u>140,000</u>	<u>5,601,037</u>	<u>5,741,037</u>

The notes on pages 9 to 24 form part of these financial statements.

FALCON CRANE HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 23.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 REVENUE

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

Sale of goods

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

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

FALCON CRANE HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.3 TANGIBLE FIXED ASSETS

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

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

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

Depreciation is provided on the following basis:

Leasehold improvements	- 2% straight line / over the period of the lease
Plant and machinery	- 25% / 33% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

1.4 OPERATING LEASES: LESSEE

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

1.5 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 first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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.

1.6 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.

FALCON CRANE HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.7 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.

1.8 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- i) at fair value with changes recognised in the profit and loss account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- ii) at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

FALCON CRANE HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.9 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.

1.10 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating income'.

1.11 FINANCE COSTS

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

1.12 LEASED ASSETS: LESSEE

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

FALCON CRANE HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.13 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 payments obligations.

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

1.14 BORROWING COSTS

All borrowing costs are recognised in the profit and loss account in the year in which they are incurred.

1.15 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

FALCON CRANE HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.16 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change 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.

2. JUDGMENTS 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.

Useful economic lives and residual values of cranes

An estimate is made for the useful lives and residual values of new and second hand cranes based on previous industry knowledge and historical useful lives of previously owned assets. In making this assessment, management takes into consideration the industry conditions in the UK and overseas market for sales of second hand cranes which can fluctuate due to specific laws and regulations surrounding cranes and foreign currency movements.

FALCON CRANE HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

3. ANALYSIS OF TURNOVER

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

	2015 £	2014 £
Tower crane hire	4,555,063	7,995,514
Operator hire	4,054,746	7,853,138
Erection and dismantling	1,624,187	3,308,063
Spares, servicing and fuel	2,782,514	701,802
Other sales	623,518	1,635,006
Ancillary item hire	257,063	679,769
	<u>13,897,091</u>	<u>22,173,292</u>

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	13,624,505	21,179,521
Rest of Europe	29,340	674,343
Rest of the world	243,246	319,428
	<u>13,897,091</u>	<u>22,173,292</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	139,995	262,136
Fees payable to the Company's auditor and its associates for the audit of the company's annual financial statements	13,250	12,875
Exchange differences	(205,716)	(29,784)
Defined contribution pension cost	93,826	119,268
	<u>93,826</u>	<u>119,268</u>

Included with auditors' remuneration are amounts of £7,000 (2014 - £5,800) and £6,500 (2014 - £5,250) being the audit fees associated with the parent company, Tower Crane Asset Management Holdings Limited, and a fellow subsidiary, Tower Crane Asset Management Limited, which have been charged to this company's profit and loss account.

FALCON CRANE HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5. AUDITORS' REMUNERATION

	2015 £	2014 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	13,250	12,875
	<u>13,250</u>	<u>12,875</u>

6. EMPLOYEES

Staff costs, including director's remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	2,982,615	6,850,192
Social security costs	280,148	670,907
Cost of defined contribution scheme	93,826	119,268
	<u>3,356,589</u>	<u>7,640,367</u>

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

	2015 No.	2014 No.
Crane operators	62	151
Office and administration	9	26
	<u>71</u>	<u>177</u>

7. DIRECTOR'S REMUNERATION

	2015 £	2014 £
Director's emoluments	105,767	93,319
Company contributions to defined contribution pension schemes	37,716	37,716
	<u>143,483</u>	<u>131,035</u>

During the year retirement benefits were accruing to 1 director (2014 - 1) in respect of defined contribution pension schemes.

FALCON CRANE HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Other loan interest payable	4,500	3,542
Finance leases and hire purchase contracts	51,290	65,333
	<u>55,790</u>	<u>68,875</u>

9. TAXATION

	2015 £	2014 £
CORPORATION TAX		
Current tax on profits for the year	-	92,068
Adjustments in respect of previous periods	1,733	458
	<u>1,733</u>	<u>92,526</u>
Group taxation relief	<u>(16,899)</u>	-
	<u>(15,166)</u>	<u>92,526</u>
TOTAL CURRENT TAX	<u>(15,166)</u>	<u>92,526</u>
DEFERRED TAX		
Origination and reversal of timing differences	-	(5,369)
TOTAL DEFERRED TAX	<u>-</u>	<u>(5,369)</u>
TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	<u>(15,166)</u>	<u>87,157</u>

FALCON CRANE HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

9. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2014 - higher than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>(16,815)</u>	<u>(4,795)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	(3,405)	(1,030)
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	14,432	18,702
Fixed asset differences	25,707	38,515
Adjustments to tax charge in respect of prior periods	1,733	74
Non-taxable income	(54,213)	(41,822)
Changes in deferred tax rate	6,806	5,452
Deferred tax not recognised	(6,436)	67,653
Group relief	210	(154)
Marginal relief	-	(233)
TOTAL TAX CHARGE FOR THE YEAR	<u><u>(15,166)</u></u>	<u><u>87,157</u></u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

FALCON CRANE HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Plant and machinery £	Total £
COST OR VALUATION			
At 1 January 2015	795,780	654,264	1,450,044
Disposals	-	(106,255)	(106,255)
At 31 December 2015	<u>795,780</u>	<u>548,009</u>	<u>1,343,789</u>
DEPRECIATION			
At 1 January 2015	282,336	513,755	796,091
Charge owned for the period	7,970	6,644	14,614
Charge financed for the period	36,116	89,266	125,382
Disposals	-	(103,000)	(103,000)
At 31 December 2015	<u>326,422</u>	<u>506,665</u>	<u>833,087</u>
NET BOOK VALUE			
At 31 December 2015	<u>469,358</u>	<u>41,344</u>	<u>510,702</u>
At 31 December 2014	<u>513,444</u>	<u>140,509</u>	<u>653,953</u>

The net book value of land and building may be further analysed as follows:

	2015 £	2014 £
Long leasehold	<u>469,358</u>	513,443
	<u>469,358</u>	<u>513,443</u>

FALCON CRANE HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

11. STOCKS

	2015 £	2014 £
Finished goods and goods for resale	32,500	33,540
	<u>32,500</u>	<u>33,540</u>

12. DEBTORS

	2015 £	2014 £
Trade debtors	1,194,481	4,648,048
Amounts owed by group undertakings	9,672,293	9,919,894
Other debtors	9,405	6,143
Prepayments and accrued income	169,623	389,202
	<u>11,045,802</u>	<u>14,963,287</u>

Trade debtors includes factored debts net of bad debt provisions of £1,039,189 (2014 - £4,481,594). The amount due to the debt factor is included in bank loans and overdrafts disclosed in note 14.

13. CASH AND CASH EQUIVALENTS

	2015 £	2014 £
Cash at bank and in hand	676,458	234,836
Less: bank overdrafts	-	(1,706,507)
	<u>676,458</u>	<u>(1,471,671)</u>

FALCON CRANE HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	<i>As restated</i>
	£	2014 £
Bank overdrafts	-	1,706,507
Other loans	-	125,000
Trade creditors	1,075,784	2,839,831
Corporation tax	-	92,068
Taxation and social security	238,354	940,339
Obligations under finance lease and hire purchase contracts	52,814	107,736
Other creditors	3,498,971	2,273,393
Accruals and deferred income	1,501,851	1,849,833
	<u>6,367,774</u>	<u>9,934,707</u>

The bank loans and overdrafts are secured by a fixed and floating charge over the assets of the group and includes £NIL (2014 - £1,706,507) secured on factored trade debts.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015	<i>As restated</i>
	£	2014 £
Net obligations under finance leases and hire purchase contracts	158,300	209,872
	<u>158,300</u>	<u>209,872</u>

Secured loans

Other loans incur an interest rate of 6% on the initial amount borrowed.

Hire purchase contracts are secured on the assets concerned.

FALCON CRANE HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

16. FINANCIAL INSTRUMENTS

	2015 £	2014 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	676,458	234,836
Financial assets that are debt instruments measured at amortised cost	11,027,339	14,901,252
	<u>11,703,797</u>	<u>15,136,088</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(6,129,418)	(8,840,360)
	<u>(6,129,418)</u>	<u>(8,840,360)</u>

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors, prepayments and accrued income.

Financial liabilities measured at amortised cost comprise hire purchase loans, trade creditors, other creditors, accruals and deferred income.

17. DEFERRED TAXATION

	2014 £
At beginning of year	(5,369)
Charged to the profit or loss	5,369
AT END OF YEAR	<u><u>-</u></u>

18. RESERVES

Profit and loss account

Includes all current and prior period retained profits and losses.

FALCON CRANE HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

19. SHARE CAPITAL

	2015 £	2014 £
ALLOTTED, CALLED UP AND FULLY PAID		
140,000 ordinary shares of £1 each	<u>140,000</u>	<u>140,000</u>

20. PRIOR YEAR ADJUSTMENT

The prior year intercompany and directors loan balances have been reclassified to amounts falling due within one year to better reflect the nature of the transactions.

21. 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 charge represents contributions payable by the company to the fund and amounted to £93,826 (2014 - £119,268). Contributions totalling £NIL (2014 - £50,972) were payable to the fund at the balance sheet date and are included within other creditors.

22. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £	2014 £
Not later than 1 year	31,150	31,150
Later than 1 year and not later than 5 years	72,384	91,534
Later than 5 years	768,000	780,000
TOTAL	<u>871,534</u>	<u>902,684</u>

23. FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

FALCON CRANE HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

24. RELATED PARTY TRANSACTIONS

Group Companies

The company is a wholly owned subsidiary of Tower Crane Asset Management Holdings Limited and as such the company has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed transactions or balances with entities forming part of the group (or with investors of the group qualifying as related parties).

Crane Management UK Limited

The company bought goods and services to the value of £56,600 (2014 - £293,810) from Crane Management UK Limited, a company wholly owned by the director, Mr D Genge, on normal commercial terms. At 31 December 2015, the balance due to Crane Management UK Limited was £24,379 (2014 - £196,830).

Falcon Tower Crane Services Limited

During the year the company charged a management charge and sold employee services to Falcon Tower Crane Services Limited, a company under the same control as Falcon Crane Hire Limited, amounting to £2,634,294 (2014 - £621,599). The balance due to Falcon Tower Crane Services Limited as at 31 December 2015 amounted to £3,473,053 (2014 - £1,960,043) which is included within other creditors.

25. CONTROLLING PARTY

Tower Crane Asset Management Holdings Limited a company registered in England and Wales, is the company's immediate and ultimate parent undertaking and controlling party.

The consolidated accounts of Tower Crane Asset Management Holdings Limited can be obtained from the company's registered office.