

Registered number: 01754008

FALCON CRANE HIRE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016



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 2016

INTRODUCTION

The directors present their annual report and financial statements for the year ended 31 December 2016.

BUSINESS REVIEW

The company's principal activity was 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.

During the year the group has undergone a group reconstruction and all assets and liabilities were transferred to the parent company Tower Crane Asset Management Holdings Limited on 31 December 2016.

PRINCIPAL RISKS AND UNCERTAINTIES

This company will be dissolved during the 2017 financial year following the group reconstruction where the trade and assets of this company were transferred to its parent company. As such there principal risk and uncertainties have passed to the parent company.

FINANCIAL KEY PERFORMANCE INDICATORS

The company's key performance indicators are turnover, liquidity and customer percentages. Throughout the year, all our key performance indicators have improved greater than expected.

FUTURE DEVELOPMENTS

During the close of 2016, a board decision was made to consolidate our group of companies and hive group activities of Falcon Crane Hire Limited and Tower Crane Asset Management Limited to the holding company Tower Crane Asset Management Holdings Limited. The decision was made to simplify the group structure and make the accounts more transparent. This company will be dissolved during the next financial year.

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



D C Genge
Director

Date: 02-08-17

FALCON CRANE HIRE LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The director presents his report and the financial statements for the year ended 31 December 2016.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £845,289 (2015 - loss £1,649).

Dividends amounting to £4,894,099 (2015 - £NIL) have been recommended and declared in the period. No dividends have been declared subsequent to the year end.

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's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

FALCON CRANE HIRE LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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



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D C Genge
Director

Date: 02-08-17

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 2016, set out on page 23. The relevant 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 on page 2, 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 2016 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.

FALCON CRANE HIRE LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FALCON CRANE HIRE LIMITED
(CONTINUED)**

OPINION ON OTHER MATTER 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 director's report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our 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 and the director's report.

FALCON CRANE HIRE LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FALCON CRANE HIRE LIMITED
(CONTINUED)**

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.

Stephen Peak (senior statutory auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

17 August 2017

FALCON CRANE HIRE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Turnover	4	1,611,328	13,897,091
Cost of sales		<u>(1,223,698)</u>	<u>(12,175,971)</u>
GROSS PROFIT		387,630	1,721,120
Administrative expenses		<u>(1,477,597)</u>	<u>(1,682,145)</u>
OPERATING (LOSS)/PROFIT	5	(1,089,967)	38,975
Interest payable and expenses	9	<u>(5,302)</u>	<u>(55,790)</u>
LOSS BEFORE TAX		(1,095,269)	(16,815)
Tax on loss	10	<u>249,980</u>	<u>15,166</u>
LOSS FOR THE YEAR		<u>(845,289)</u>	<u>(1,649)</u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015 - £NIL).

The notes on pages 10 to 23 form part of these financial statements.

FALCON CRANE HIRE LIMITED
REGISTERED NUMBER: 01754008

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	11	-	510,702
		-	510,702
CURRENT ASSETS			
Stocks	12	-	32,500
Debtors: amounts falling due within one year	13	-	11,045,802
Cash at bank and in hand	14	-	676,458
		-	11,754,760
Creditors: amounts falling due within one year	15	-	(6,367,774)
NET CURRENT ASSETS		-	5,386,986
TOTAL ASSETS LESS CURRENT LIABILITIES		-	5,897,688
Creditors: amounts falling due after more than one year	16	-	(158,300)
NET ASSETS		-	5,739,388
CAPITAL AND RESERVES			
Called up share capital	18	140,000	140,000
Profit and loss account	19	(140,000)	5,599,388
		-	5,739,388

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


D C Genge
Director

Date: 02-08-17

The notes on pages 10 to 23 form part of these financial statements.

FALCON CRANE HIRE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	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 1 January 2016	140,000	5,599,388	5,739,388
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(845,289)	(845,289)
Dividends: Equity capital	-	(4,894,099)	(4,894,099)
AT 31 DECEMBER 2016	140,000	(140,000)	-

FALCON CRANE HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. GENERAL INFORMATION

Falcon Crane Hire Limited is a private limited company incorporated in England. The Company's registered office is disclosed on the company information page.

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 judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 REVENUE

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 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.

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	- Over 50 years / over the period of the lease
Plant and machinery	- Over 3-4 years

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

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

FALCON CRANE HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.4 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.

2.5 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.

2.6 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.

2.7 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 debtors and creditors, 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 debtors and creditors, 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.

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 statement of comprehensive income.

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.

FALCON CRANE HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.7 FINANCIAL INSTRUMENTS (CONTINUED)

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 of the recoverable amount, 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.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 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.

2.9 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.

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 statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.10 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

2.11 FINANCE COSTS

Finance costs are charged to the statement of comprehensive income 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.

FALCON CRANE HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.12 DIVIDENDS

Equity dividends are recognised when they become legally payable.

2.13 LEASED ASSETS: THE COMPANY AS LESSEE

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

2.14 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 the statement of comprehensive income 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.

2.15 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 statement of comprehensive income 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 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.16 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, 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.

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.

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 2016**

4. TURNOVER

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

	2016 £	2015 £
Tower crane hire	575,182	4,555,063
Operator hire	310,496	4,054,746
Erection and dismantling	377,540	1,624,187
Spares, servicing and fuel	315,789	2,782,514
Other sales	22,216	623,518
Ancillary item hire	10,105	257,063
	<u>1,611,328</u>	<u>13,897,091</u>

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	1,572,662	13,624,505
Rest of Europe	5,083	29,340
Rest of the world	33,583	243,246
	<u>1,611,328</u>	<u>13,897,091</u>

5. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	58,540	139,995
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements - (see note 6)	-	17,000
Exchange differences	112,918	(205,716)
Defined contribution pension cost	67,518	93,826
	<u>67,518</u>	<u>93,826</u>

FALCON CRANE HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. AUDITORS' REMUNERATION

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	-	17,000
FEES PAYABLE TO THE COMPANY'S AUDITOR AND ITS ASSOCIATES IN RESPECT OF:		
Taxation compliance services	-	2,000
All other services	-	5,650
	-	7,650

Included with auditors' remuneration are amounts of £NIL (2015 - £6,200) and £NIL (2015 - £5,400) 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.

Auditors' remuneration of £5,625 (2015 - £NIL) and Auditors' remuneration for non audit services of £2,625 (2015 - £NIL) has been charged to a connected company, Falcon Tower Crane Services Limited.

7. EMPLOYEES

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

	2016 £	2015 £
Wages and salaries	154,370	2,982,615
Social insurance costs	11,577	280,148
Cost of defined contribution scheme	67,518	93,826
	233,465	3,356,589

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

	2016 No.	2015 No.
Crane operators	-	62
Office and administration	2	9
	2	71

FALCON CRANE HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. DIRECTOR'S REMUNERATION

	2016 £	2015 £
Director's emoluments	91,747	92,253
Company contributions to defined contribution pension schemes	34,573	37,716
	<u>126,320</u>	<u>129,969</u>

During the year retirement benefits were accruing to 1 director (2015 - 1) in respect of defined contribution pension schemes.

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Other loan interest payable	-	4,500
Finance leases and hire purchase contracts	5,302	51,290
	<u>5,302</u>	<u>55,790</u>

10. TAXATION

	2016 £	2015 £
CORPORATION TAX		
Current tax on losses for the year	(83,682)	-
Adjustments in respect of previous periods	-	1,733
	<u>(83,682)</u>	<u>1,733</u>
Group taxation relief	(166,298)	(16,899)
	<u>(249,980)</u>	<u>(15,166)</u>
TOTAL CURRENT TAX	<u>(249,980)</u>	<u>(15,166)</u>
DEFERRED TAX		
TOTAL DEFERRED TAX	<u>-</u>	<u>-</u>
TAXATION ON LOSS ON ORDINARY ACTIVITIES	<u>(249,980)</u>	<u>(15,166)</u>

FALCON CRANE HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

10. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>(1,095,269)</u>	<u>(16,815)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%)	(219,054)	(3,405)
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	28,162	14,432
Losses carried back	77,170	-
Fixed asset differences	5,878	25,707
Adjustments to tax charge in respect of prior periods	(83,692)	1,733
Non-taxable income	-	(54,213)
Changes in deferred tax rate	(6,484)	6,806
Dividends from UK companies	(58,355)	(6,436)
Other differences leading to an increase (decrease) in the tax charge	6,395	-
Group relief	166,298	210
Payment for group relief	(166,298)	-
TOTAL TAX CHARGE FOR THE YEAR	<u><u>(249,980)</u></u>	<u><u>(15,166)</u></u>

FALCON CRANE HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Plant and machinery £	Total £
At 1 January 2016	795,780	548,009	1,343,789
Transfers intra group	(795,780)	(528,078)	(1,323,858)
Disposals	-	(19,931)	(19,931)
At 31 December 2016	-	-	-
At 1 January 2016	326,422	506,665	833,087
Charge for the year on owned assets	5,314	-	5,314
Charge for the year on financed assets	24,077	29,149	53,226
Transfers intra group	(355,813)	(520,866)	(876,679)
Disposals	-	(14,948)	(14,948)
At 31 December 2016	-	-	-
NET BOOK VALUE			
At 31 December 2016	-	-	-
At 31 December 2015	469,358	41,344	510,702

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

	2016 £	2015 £
Long leasehold	-	469,358
	-	469,358

12. STOCKS

	2016 £	2015 £
Finished goods and goods for resale	-	32,500
	-	32,500

FALCON CRANE HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

13. DEBTORS

	2016 £	2015 £
Trade debtors	-	1,194,481
Amounts owed by group undertakings	-	9,672,293
Other debtors	-	9,405
Prepayments and accrued income	-	169,623
	<u>-</u>	<u>11,045,802</u>
	<u>-</u>	<u>11,045,802</u>

Trade debtors includes factored debts net of bad debt provisions of £NIL (2015 - £1,039,189). The amount due to the debt factor is included in bank loans and overdrafts disclosed in note 15.

14. CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	-	676,458
	<u>-</u>	<u>676,458</u>
	<u>-</u>	<u>676,458</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	-	1,075,784
Other taxation and social security	-	238,354
Obligations under finance lease and hire purchase contracts	-	52,814
Other creditors	-	3,498,971
Accruals and deferred income	-	1,501,851
	<u>-</u>	<u>6,367,774</u>
	<u>-</u>	<u>6,367,774</u>

Hire purchase contracts are secured on the assets concerned.

FALCON CRANE HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

	2016 £	2015 £
Net obligations under finance leases and hire purchase contracts	-	158,300
	-	158,300

Secured loans

Hire purchase contracts are secured on the assets concerned.

17. FINANCIAL INSTRUMENTS

	2016 £	2015 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	-	676,458
Financial assets that are debt instruments measured at amortised cost	-	11,027,339
	-	11,703,797
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	-	(6,076,606)
	-	(6,076,606)

Financial assets measured at fair value through profit or loss 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.

18. SHARE CAPITAL

	2016 £	2015 £
SHARES CLASSIFIED AS EQUITY		
ALLOTTED, CALLED UP AND FULLY PAID		
140,000 ordinary shares of £1 each	140,000	140,000

FALCON CRANE HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

19. RESERVES

Profit and loss account

The reserves include all current and prior period retained profits and losses.

20. DIVIDENDS

	2016 £	2015 £
Dividend declared on ordinary shares	4,894,099	-
	<u>4,894,099</u>	<u>-</u>

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 £67,518 (2015 - £93,826). Contributions totalling £NIL (2015 - £NIL) were payable to the fund at the balance sheet date and are included within other creditors.

22. COMMITMENTS UNDER OPERATING LEASES

The Company had no commitments under the non-cancellable operating leases as at the balance sheet date.

23. RELATED PARTY TRANSACTIONS

Group Companies

The parent company, Tower Crane Asset Management Holdings Limited, prepares consolidated group accounts and accordingly, the company has taken advantage of the exemptions contained within FRS 102 paragraph 33.1A not to disclose transactions with group undertakings.

Crane Management UK Limited

The company bought goods and services to the value of £NIL (2015 - £56,600) from Crane Management UK Limited, a company that was previously wholly owned by the director, Mr D Genge, on normal commercial terms. At 31 December 2016, the balance due to Crane Management UK Limited was £NIL (2015 - £24,379). The company was dissolved during the year.

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 £NIL (2015 - £2,634,294). The balance due to Falcon Tower Crane Services Limited as at 31 December 2016 amounted to £NIL (2015 - £3,473,053) which is included within other creditors.

FALCON CRANE HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

24. GROUP RECONSTRUCTION

Falcon Crane Hire Limited, a company incorporated in England and Wales, is a fellow wholly owned subsidiary of Tower Crane Asset Management Holdings Limited. On 31 December 2016 the business of Falcon Crane Hire Limited was hived up to Tower Crane Asset Management Holdings Limited and its net assets and liabilities at that date were transferred by payment of a dividend. Distributable net assets at the date of transfer were £4,894,099.

25. POST BALANCE SHEET EVENTS

Following the group reconstruction as disclosed in note 24 it is expected that this company will be dissolved in the year ending 31 December 2017 following the hive up of the assets and liabilities to Tower Crane Asset Management Holdings Limited.

26. CONTROLLING PARTY

The immediate and ultimate parent undertaking is Tower Crane Asset Management Holdings Limited, a company incorporated in England, which holds 100% of the company's issued share capital. The consolidated financial statements of Tower Crane Asset Management Holdings Limited are available from the company's registered office.

Tower Crane Asset Management Holdings Limited is under the control of its shareholders and no single shareholder exercises individual control.