

Company Registration No. 2888311

**VERSALIFT DISTRIBUTORS (UK)
LIMITED**

Report and Financial Statements

31 December 2017

16/11/2018



VERSALIFT DISTRIBUTORS (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS 2017

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VERSALIFT DISTRIBUTORS (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS 2017

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A Bray
C Howell
J Jeffrey
K Jensen

SECRETARY

S Shaw

REGISTERED NUMBER

28888311

REGISTERED OFFICE

1 Altendiez Way
Latimer Park Industrial Estate
Burton Latimer
Kettering
Northamptonshire, NN15 5YZ
United Kingdom

BANKERS

Bank of Ireland
Belfast
Northern Ireland

SOLICITORS

Whitney Moore
Wilton Park House
Dublin 2
Ireland

AUDITOR

Deloitte LLP
Statutory Auditor
Cambridge
United Kingdom

VERSALIFT DISTRIBUTORS (UK) LIMITED

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS.

The principal activity of the company is the importation and distribution of aerial lifts.

The directors expect the general level and scope of the company's activity to increase in future years in line with the company's growth plan.

REVIEW OF BUSINESS AND KEY PERFORMANCE INDICATORS

The loss for the year, before taxation, amounted to £515,462 (2016 - £303,543).

The company's key performance indicators are set out in the table below:

	2017	2016
Return on net assets	(1.8%)	(1.6%)
Gross margin	12.14%	18.64%
Employee numbers	80	78

The wider economic environment remains quite challenging but we will aim to at least retain our strong market share during 2018.

PRINCIPAL RISKS AND UNCERTAINTIES

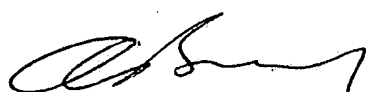
Market risk

The company is a significant player in the market for the importation and distribution of aerial lifts in the UK and Ireland. There is a defined customer base and the market is largely influenced by the requirements of the larger customers in the telecoms, electric utilities and municipal sectors. As such the risk to the company is that customer demand declines. The company mitigates this by having a strong order backlog running up to July 2019.

Brexit

With the United Kingdom's decision to leave the European Union in March 2019 there is uncertainty around the general economic environment post-Brexit. In the short-term the company has mitigated this risk by maintaining a strong order backlog up to July 2019. Long-term effects are yet to be known with a Brexit deal not yet clarified, however the company closely monitor the situation and will assess impacts when they become clear.

Approved by the Board of Directors
and signed on behalf of the Board



Director

Date: 15/11/2018

VERSALIFT DISTRIBUTORS (UK) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2017.

FUTURE DEVELOPMENTS

Details of future developments can be found in the strategic report on page 2 and form part of this report by cross reference.

DIRECTORS

The directors who served throughout the year and to the date of this report, unless otherwise stated, were:

S O'Flaherty	(resigned 1 February 2017)
C Mahon	(resigned 1 February 2017)
C Burnett	(resigned 31 August 2017)
A Bray	
C Howell	(appointed 13 November 2017)
J Jeffrey	(appointed 13 November 2017)
K Jensen	(appointed 13 November 2017)

DIVIDENDS

The directors do not recommend a dividend (2016 - £nil).

RESEARCH AND DEVELOPMENT

The company does not incur research and development expenditure. New product development and innovation is at the core of the wider Time Manufacturing LLC group's customer focussed strategy and takes place in the group's dedicated research and development facilities.

POLITICAL DONATIONS

The company neither made disclosable political contributions nor incurred disclosable political expenditure in the year (2016 - £nil).

FINANCIAL RISK MANAGEMENT

The company has exposures to foreign currency risks. The company's focus is to understand these risks and to put in place policies that minimise their economic impact. Transaction exposures are internally hedged as far as possible. Where this is not possible, material exposures are externally hedged. Translational exposure, which is effectively a non-cash transaction is not hedged.

The company requires significant cash flows and investment in working capital. The company enjoys support from its parent when required in financing its operations.

EMPLOYEES

The directors give special attention to the health and safety of their employees and endeavour to ensure that as far as possible the training, career development and promotion of disabled persons is the same as other employees. Should employees become disabled, every effort is made to ensure that their employment continues and appropriate retraining is provided.

Consultation with employees and good industrial relations are actively promoted through comprehensive and agreed procedures.

VERSALIFT DISTRIBUTORS (UK) LIMITED

DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP were appointed as auditor during the year and have expressed their willingness to continue in office as auditor. A resolution to reappoint them as auditor will be proposed at the forthcoming Annual General Meeting.

Approved and authorized by the Board of Directors
and signed on behalf of the Board



Andy Bray
Director

Date: 15/11/2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VERSALIFT DISTRIBUTORS (UK) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Versalift Distributors (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the company which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VERSALIFT DISTRIBUTORS (UK) LIMITED (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 for the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VERSALIFT DISTRIBUTORS (UK) LIMITED (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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.



Paul Adkins (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Cambridge, United Kingdom
16 November 2018

VERSALIFT DISTRIBUTORS (UK) LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2017

	Note	2017 £	Re-stated 2016 £
TURNOVER	3	15,945,483	14,249,207
Cost of sales		(14,008,969)	(11,684,773)
GROSS PROFIT		1,936,514	2,564,434
Other operating expenses		(2,451,976)	(2,478,550)
OPERATING PROFIT	4	(515,462)	121,884
Interest payable and similar charges	7	-	(425,427)
LOSS BEFORE TAXATION		(515,462)	(339,543)
Tax on profit/loss	8	289,980	95,047
LOSS FOR THE FINANCIAL YEAR		(225,482)	(244,496)

All activities derive from continuing operations.

There are no comprehensive income or expenses other than the loss for the financial year and the preceding financial year. Accordingly, no statement of comprehensive income is given.

The 2016 profit and loss account has been re-stated in line with the explanations in Note 20.

VERSALIFT DISTRIBUTORS (UK) LIMITED


BALANCE SHEET 31 December 2017

	Note	2017 £	Re-stated 2016 £
FIXED ASSETS			
Tangible assets	9	261,868	3,603,082
Deferred tax assets	14	212,649	-
CURRENT ASSETS			
Stocks	10	7,814,245	7,405,459
Debtors	11	3,028,837	6,832,279
Cash at bank and in hand		1,076,613	804,400
		12,394,212	18,645,220
CREDITORS: amounts falling due within one year	12	(5,686,131)	(14,259,101)
NET CURRENT ASSETS		6,233,564	783,037
TOTAL ASSETS LESS CURRENT LIABILITIES		6,708,081	4,386,119
CREDITORS: amounts falling due after more than one year			
Deferred Tax Liabilities	14	-	(42,257)
Intercompany Loan	13	(2,589,701)	-
Total Liabilities		(8,275,832)	(14,301,358)
NET ASSETS		4,118,380	4,343,862
CAPITAL AND RESERVES			
Called up share capital	15	1,300,000	1,300,000
Profit and loss account	15	2,818,380	3,043,862
SHAREHOLDERS' FUNDS		4,118,380	4,343,862

The 2016 balance sheet has been re-stated in line with the explanations in Note 20.

The financial statements of Versalift Distributors (UK) Limited, registered number 2888311, were approved by the Board of Directors and authorised for issue on 15 November 2018

Signed on behalf of the Board of Directors



Andy Bray
Director

VERSALIFT DISTRIBUTORS (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY **Year ended 31 December 2017**

	Called up share capital £	Profit and loss account £	Total £
At 31 December 2015	1,300,000	1,339,514	2,639,514
Restatement of the prior year	-	1,948,844	1,948,844
At 1 January 2016 (as re-stated)	1,300,000	3,288,358	4,588,358
Loss for the year, being total comprehensive expense	-	(244,496)	(244,496)
At 1 January 2017 (as re-stated)	1,300,000	3,043,862	4,343,862
Loss for the year, being total comprehensive expense	-	(225,482)	(225,482)
At 31 December 2017	1,300,000	2,818,380	4,118,380

The 2016 statement of changes in equity has been re-stated in line with the explanations in Note 20.

VERSALIFT DISTRIBUTORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

General information and basis of accounting

Versalift Distributors (UK) Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on page 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Versalift Distributors (UK) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Versalift Distributors (UK) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel. Disclosures in relation to related parties are made in Note 18.

Going concern

The financial statements have been prepared using the going concern basis of accounting. In making this assessment the directors of the company have considered cash flow forecasts which have been agreed by the board and show the company returning to profitability in 2018 based on business growth and rationalisation of cost bases. The directors have also considered the support provided by its parent company and understand that if required, the company will receive support from its parent to continue its operations.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Buildings	40 years
Plant and equipment	5-10 years
Motor vehicles	3-5 years

No depreciation is provided on land.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the normal level of costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated normal selling price less further costs expected to be incurred on disposal. Stocks are held on a FIFO basis. Provision is made for obsolete, slow moving or defective items, where appropriate.

VERSALIFT DISTRIBUTORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2017

1. ACCOUNTING POLICIES (continued)

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

VERSALIFT DISTRIBUTORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

1. ACCOUNTING POLICIES (continued)

Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Turnover

Turnover comprises the invoiced value of sales excluding value added tax and trade discounts. Turnover on the sale of goods is recognised on delivery of the related product. Turnover on service contracts is recognised on a straight line basis over the life of the contract.

Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign exchange policy).

Interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

VERSALIFT DISTRIBUTORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2017

1. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets and financial liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Debt instruments not meeting these conditions are measured at fair value through profit or loss.

VERSALIFT DISTRIBUTORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2017

1. ACCOUNTING POLICIES (continued)

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors have not made any critical judgements in the process of applying the company's accounting policies when compiling the financial statements. The directors also do not consider there to be any sources of key estimation uncertainty.

3. TURNOVER

Turnover is generated from the sale of aerial lifts, parts and service income in the United Kingdom.

	2017 No £	2016 No £
Sale of goods	14,169,543	12,309,905
Service income	1,775,940	1,940,302
	<u>15,945,483</u>	<u>14,249,207</u>

VERSALIFT DISTRIBUTORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2017

4. OPERATING PROFIT

	2017 £	2016 £
Operating profit is after charging:		
Depreciation	107,624	216,478
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	45,100	12,000
Tax advisory services	5,995	2,500
Foreign exchange (loss)/gain	(122,573)	213,787
Gain/(loss) on disposal of fixed assets	567,240	(6,881)
Stock recognised as an expense in cost of sales in the year	<u>11,978,507</u>	<u>9,659,044</u>

5. STAFF NUMBERS AND COSTS

	2017 No	2016 No
Average number of persons employed (excluding directors)		
Administration	<u>80</u>	<u>78</u>
	£	£
Staff costs during the year (excluding directors)		
Wages and salaries	2,427,381	2,192,431
Social security costs	264,626	239,137
Pension costs	<u>36,410</u>	<u>30,042</u>
	<u>2,728,417</u>	<u>2,465,610</u>

6. DIRECTORS' REMUNERATION

	2017 £	2016 £
Directors' emoluments	<u>209,101</u>	<u>107,065</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £	2016 £
Interest payable on loan from parent company	<u>-</u>	<u>425,427</u>

VERSALIFT DISTRIBUTORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2017

8. TAX ON LOSS

	2017 £	2016 £
Current taxation		
United Kingdom corporation tax	-	-
Adjustment in respect of previous periods	(18,910)	(46,735)
Total current tax	<u>(18,910)</u>	<u>(46,735)</u>
Deferred taxation		
Origination and reversal of timing differences	(50,339)	(13,602)
Adjustment in respect of previous periods	-	480
Temporary timing differences on movement in losses	(220,731)	(27,729)
Impact of change in tax rates	-	(7,457)
Total deferred tax	<u>(271,070)</u>	<u>(48,312)</u>
Tax on loss	<u>(289,980)</u>	<u>(95,047)</u>

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Loss before tax	(515,462)	(339,543)
Tax on loss at standard rate of 19.25% (2016: 20%)	-	(65,362)
Factors affecting credit for the year:		
Expenses not deductible for tax purposes	(9,018)	18,646
Adjustments in respect of temporary timing differences	(41,320)	-
Temporary timing differences on movement in losses	(220,731)	(41,259)
Adjustment in respect of previous periods	(18,910)	384
Impact of change in tax rates	-	(7,456)
Total actual amount of tax charge	<u>(289,980)</u>	<u>(95,047)</u>

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted by the balance sheet date being 20% with effect from 1 April 2015, 19% effective from 1 April 2017 and 17% effective from 1 April 2020. The closing deferred tax assets and liabilities have been calculated at 17%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

VERSALIFT DISTRIBUTORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2017

9. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2017	4,416,390	796,659	353,948	5,566,997
Additions	-	43,376	23,105	66,177
Disposals	(4,416,390)	(92,123)	(62,224)	(4,570,737)
At 31 December 2017	-	747,912	314,829	1,062,437
Depreciation				
At 1 January 2017	1,199,986	593,103	170,808	1,963,897
Disposals	(1,207,456)	(28,957)	(34,544)	(1,270,957)
Charge for the year	7,470	38,450	61,705	107,625
At 31 December 2017	-	602,596	197,969	800,565
Net book value				
At 31 December 2017	-	145,316	116,860	262,872
At 31 December 2016	3,216,400	203,559	183,140	3,603,100

10. STOCKS

	2017 £	2016 £
Hydraulic hoists	6,136,017	5,088,041
Spare parts and sundry stock	1,410,329	1,384,353
Stock in transit	267,899	933,065
	<u>7,814,245</u>	<u>7,405,459</u>

There are no material differences between replacement cost of stock and the balance sheet amounts.

The replacement cost of stocks did not differ significantly from the amounts shown above. Stocks are stated net of a provision for obsolescence of £289,356 (2016 - £545,331). Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales amounted to £12,242,595 (2016 - £9,971,365).

VERSALIFT DISTRIBUTORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2017

11. DEBTORS

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	2,711,383	2,370,550
Amounts owed by group undertakings	-	4,179,220
Corporation tax	275,575	232,653
Prepayments	41,879	49,856
	<u>3,028,837</u>	<u>6,832,279</u>

Trade debtors are stated net of provision of impairment of £nil (2016 - £30,000).

Amounts owed by group undertakings are amounts due to the intermediate parent company, Time Manufacturing Acquisition LLC. These amounts are unsecured and interest-free.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	1,743,664	227,250
Other creditors and accruals	3,582,298	3,372,628
Amounts due to group undertakings	-	10,278,316
Other taxation and social security	360,169	380,907
	<u>5,686,131</u>	<u>14,259,101</u>

Amounts due to group undertakings were fully repaid in the year on the acquisition of the company. No interest was paid on these amounts and they were unsecured.

Deferred income on service contracts of £252,343 (2016: £600,808) is held within other creditors and accruals.

13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2017 £	2016 £
Intercompany loan	2,589,701	-
	<u>2,589,701</u>	<u>-</u>

The company received a loan from Time Manufacturing LLC, an intermediate parent company, for the financing of cash flows and investment. This is an interest-free loan without a specific repayment date.

VERSALIFT DISTRIBUTORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2017

14. PROVISIONS FOR LIABILITIES

Deferred taxation	£
Movement in year	
At 1 January 2017	(42,257)
Credit to profit and loss account	271,070
Adjustment to prior period	16,164
At 31 December 2017	<u>212,649</u>

The provision for deferred tax in relation to tax losses and capital allowances is made up as follows:

	2017 £	2016 £
Opening deferred tax	42,257	64,456
Origination and reversal of timing differences	(271,070)	(15,240)
Adjustments in respect of prior periods	16,164	478
Expenses not deductible for tax purposes	-	(7,457)
	<u>(212,649)</u>	<u>42,257</u>

15. CALLED UP SHARE CAPITAL AND RESERVES

	2017 £	2016 £
Allotted, called up and fully paid		
1,300,000 ordinary shares of £1 each	<u>1,300,000</u>	<u>1,300,000</u>

The company's other reserve is as follows:

The profit and loss reserve represents cumulative profits or losses.

16. FINANCIAL COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017 £	2016 £
- within one year	302,854	-
- between one and five years	1,188,814	-
- after five years	5,638,337	-
	<u>7,130,005</u>	<u>-</u>

VERSALIFT DISTRIBUTORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

17. GUARANTEES

The company's bank has guaranteed the Customs and Excise authorities for amounts up to £150,000 (2016 - £150,000). The company has indemnified the bank against any losses under this guarantee.

18. GROUP UNDERTAKINGS AND CONTROLLING ENTITY

At the year end the company is a wholly owned subsidiary of Time Manufacturing Acquisition LLC its ultimate parent, a company incorporated and operating in the United States of America and its financial statements are incorporated in the consolidated financial statements prepared by that company. During the year Time Manufacturing Acquisition LLC acquired the company from O'Flaherty Holdings Limited.

Time Manufacturing Acquisitions LLC is the parent company of the smallest group of which the company is a member who's address is 7601 Imperial Drive, PO Box 20368, Waco, Texas, 76702-0368, United States of America. The Sterling Group LP is the parent company of the largest group of which the company is a member who's address is Nine Greenway Plaza, STE2400, Houston, Texas, 77046, United States.

Group financial statements of the largest group are available from Nine Greenway Plaza, STE2400, Houston, Texas, 77046, United States.

19. RELATED PARTY TRANSACTIONS

The company has availed of the exemptions under Section 33.1A of FRS 102 – *Related Party Disclosures* not to provide details of related party transactions as it is a wholly owned subsidiary of Time Manufacturing Acquisition LLC which is preparing consolidated financial statements which include this company. These financial statements can be obtained from 7601 Imperial Drive, PO Box 20368, Waco, Texas, 76702-0368, United States of America.

20. PRIOR PERIOD ERROR

During the period it was identified that revenue recognition on repairs and maintenance contracts had been incorrectly recognised due to error in the current and previous periods. Repairs and maintenance contracts had recognised revenue at the end of the contract period instead of on a straight-line basis over the life of the contract. It was also identified that a material amount of lift and boom sales had been recognised in revenue too early when the risks and rewards had not fully transferred to the customer. This again was due to error. As a result, a prior period adjustment was made to correct for these errors.

VERSALIFT DISTRIBUTORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2017**

20. PRIOR PERIOD ERROR (continued)

	2016 £
The effects of the prior period error are summarised below:	
Profit and loss account:	
Revenue	1,742,406
Cost of sales	(1,469,559)
Tax	(93,278)
Increase/(decrease) in profit for the financial year	(179,569)
Balance Sheet:	
Stock	1,957,053
Deferred income	(1,388,772)
Retained earnings	(1,948,844)
Increase/(decrease) in net assets	(1,380,563)