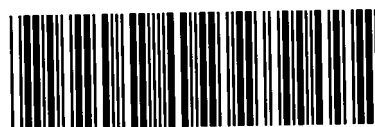


AINSCOUGH CRANE HIRE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2016
REGISTERED NUMBER 03245223

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AINSCOUGH CRANE HIRE LIMITED

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for the Year Ended 31 May 2016

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AINSCOUGH CRANE HIRE LIMITED

COMPANY INFORMATION
for the Year Ended 31 May 2016

DIRECTORS:	C J Chambers R Richardson
SECRETARY:	C J Chambers
REGISTERED OFFICE:	Bradley Hall Bradley Lane Standish Wigan WN6 0XQ
REGISTERED NUMBER:	03245223
INDEPENDENT AUDITORS:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 101 Barbirolli Square Lower Mosley Street Manchester M2 3PW
BANKERS:	Bank of Scotland plc 3rd Floor New Uberior House 11 Earl Grey Street Edinburgh EH3 9BN
SOLICITORS:	Walker Morris LLP 12 King Street Leeds LS1 2HL

AINSCOUGH CRANE HIRE LIMITED

STRATEGIC REPORT for the Year Ended 31 May 2016

The directors present their Strategic Report on the company for the year ended 31 May 2016.

This is the first year that the company has presented its results under Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102"). The impact on equity at the date of transition to FRS102, 1 June 2014, and at 31 May 2015, together with the changes to the reported profit/loss for the year ended 31 May 2015 are shown in note 25.

Principal activities

The principal activity of the company during the year was that of mobile crane hire and contract lifting. The company is incorporated in England with a company registration number of 03245223.

Review of the business

Trading conditions in 2016 have declined in the year with turnover decreasing to £110.6m (2015: £122.4m). Profit on ordinary activities before taxation decreased to £3.5m (2015: £18.4m). Total net assets are £69.3m (2015: £64.1m). During the period the company incurred exceptional costs relating to the restructuring and refinancing of the group.

On 4 December 2015 the company acquired Specialist Crane Hire Limited, Marsden Crane Hire Limited and Jardine Crane Hire Limited for consideration of £2.7m. On 26 March 2016 the trade and assets of Specialist Crane Hire Limited were transferred to the company at book value for a consideration of £3.4m.

Principal risks and uncertainties

The principal risks and uncertainties faced by the company are the general economic background. The company addresses this risk through continued investment in the crane fleet to ensure that it remains a modern fleet which is capable of satisfying market demands.

Financial risk management

The Company's operations expose it to a variety of financial risks that include foreign exchange risk, interest rate risk, credit risk and cash flow risk.

Foreign exchange rate risk arises from transactions when goods and services are bought or sold in currencies other than Sterling. Limited transactions of this nature arise in the company and if necessary the risk would be managed by way of a forward or spot contract based on management's assessment of the relevant currencies.

The company's funding is provided via a combination of bank lending and intercompany borrowing. Interest rate risk is limited as the rate is fixed for the term of the facility however, it does include exposure to changes in the LIBOR as this is variable.

The effects of credit risk are controlled as the Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed by the Board. The Board receives regular reports on amounts due and amounts significantly overdue and the relevant action taken.

The company is dependent on the wider group in order to meet its obligations as they fall due. The company monitors cash flow as part of its day to day procedures. The Board considers cash flow projections constantly and ensures that the appropriate facilities are available to be drawn upon as necessary.

Non-financial risks

The key non-financial risks facing the business are the possible overseas competition and the risk to personnel and reputation in the event of a serious accident involving a crane. The Board continually monitors these risks and has robust controls and processes in place to minimise the risk to the company.

AINSCOUGH CRANE HIRE LIMITED

STRATEGIC REPORT
for the Year Ended 31 May 2016 (continued)

Key performance indicators ("KPIs")

The company's strategy is one of growth with improved profitability. The directors monitor progress against this strategy by reference to a number of KPIs.

Performance for the year, together with comparative data for the previous year is set out in the table below:

	2016	2015	Definition, method of calculation and analysis
(Decline)/growth in sales (%)	(9.7%)	5.4%	Year on year sales growth expressed as a percentage. The year on year decrease is the result of difficult trading conditions during the year.
Return on sales (%)	11%	17%	Return on sales is the ratio of profit on ordinary activities before interest and taxation to sales expressed as a percentage. Return on sales has declined due to the decline in the market having an impact on sales.
Debtor Days	61	53	Debtor days is a measure of the time on average it takes for our customers to pay their invoices. The reason for the decline is due to pressure from customers to increase terms as a result of the decline in market conditions.

On behalf of the board



C J Chambers

Director

22 August 2016

AINSCOUGH CRANE HIRE LIMITED

DIRECTORS' REPORT for the Year Ended 31 May 2016

The directors present their report with the audited financial statements of the company for the year ended 31 May 2016.

Results and dividends

The result for the year and financial position of the company is shown in the annexed financial statements. The company's profit for the financial year was £5.2m (2015: £15.7m). The directors do not propose the payment of a dividend (2015: £94,958,000 dividend in specie).

Financial risk management

The financial risk management of the company is described in the Strategic Report on page 2.

Future developments

The directors believe the market is now starting to show signs of recovery through the number of increased opportunities and all sectors are anticipated to show growth in the coming financial year. As a result of careful strategic management and diversification across a number of sectors, the company is well placed to respond to these opportunities as and when they present themselves.

Health and safety

The company is proactive in adopting health and safety best practices that go beyond legislative requirements and undertakes regular training programmes, internal and external audits of all operations and systems, crane testing and maintenance.

Environment

The company recognises that it has a responsibility to the environment and takes positive steps to address all environmental impacts of its business operations. The company seeks to minimise adverse impacts through good management, aiming for continuous improvement in its environmental performance and delivering on its duty of care towards future generations.

Employees

Disabled employment

The company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The company gives full and fair consideration to applications for employment for disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the group. If members of staff become disabled the group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Employment involvement

The company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. The company encourages the involvement of employee's by means of regular communication and meetings.

Social and community issues

The company allocates a certain amount of funding for each depot to support local issues recommended by depot staff.

Going concern

The directors have considered the current economic environment and prepared trading and cash flow projections. On the basis of this information the directors are satisfied that it is appropriate to prepare financial statements of the company on a going concern basis.

AINSCOUGH CRANE HIRE LIMITED

DIRECTORS' REPORT
for the Year Ended 31 May 2016 (continued)

Directors

The directors who held office during the year and to the date of this report are given below:

C J Chambers
R Richardson

The directors benefitted from qualifying third party indemnification provisions in place during the year and to the date of this report.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, Directors' 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), and applicable law).

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 comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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.

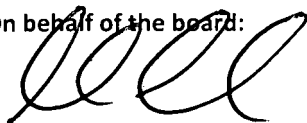
Statement of disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

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

On behalf of the board:



C J Chambers
Director

22 August 2016

AINSCOUGH CRANE HIRE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AINSCOUGH CRANE HIRE LIMITED

for the Year Ended 31 May 2016

Report on the financial statements

Our opinion

In our opinion, Ainscough Crane Hire Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 May 2016 and of its profit 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.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 31 May 2016;
- the statement of income and retained earnings for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

AINSCOUGH CRANE HIRE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AINSCOUGH CRANE HIRE LIMITED

for the Year Ended 31 May 2016

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 5, the directors are 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

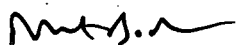
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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 directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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.



Nicholas Boden (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
22 August 2016

AINSCOUGH CRANE HIRE LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
for the Year Ended 31 May 2016**

	Note	2016 £'000	2015 £'000
TURNOVER		110,552	122,445
Cost of sales		<u>(76,224)</u>	<u>(75,579)</u>
GROSS PROFIT		34,328	46,866
Administrative expenses		(21,816)	(21,700)
Exceptional administrative expenses	7	(719)	(4,655)
		<u>(22,535)</u>	<u>(26,355)</u>
OPERATING PROFIT	5	<u>11,793</u>	<u>20,511</u>
Profit on disposal of fixed assets		474	273
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		<u>12,267</u>	<u>20,784</u>
Interest receivable and similar income	8	-	2,059
Interest payable and similar charges	8	(8,793)	(4,415)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>3,474</u>	<u>18,428</u>
Tax credit/(charge) on profit on ordinary activities	9	1,737	(2,769)
PROFIT FOR THE FINANCIAL YEAR		<u>5,211</u>	<u>15,659</u>
Retained earnings at the beginning of the financial year		52,090	131,389
Retained earnings for the financial year		5,211	15,659
Dividends paid	20	-	(94,958)
RETAINED EARNINGS AT THE END OF THE FINANCIAL YEAR		<u>57,301</u>	<u>52,090</u>

All activities relate to continuing operations.

The company has no other comprehensive income other than the profit for the current year and the previous year.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year and their historical cost equivalents.

The notes on pages 10 to 21 form part of these financial statements.

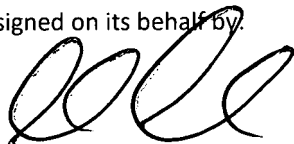
AINSCOUGH CRANE HIRE LIMITED

STATEMENT OF FINANCIAL POSITION
as at 31 May 2016

Registered Number: 03245223

	Note	2016		2015	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Intangible assets	10		126		-
Tangible assets	11		129,930		123,752
Investments	12		2,716		2
			<u>132,772</u>		<u>123,754</u>
CURRENT ASSETS					
Stocks	13	889		902	
Debtors: amounts falling due within one year	14	24,107		22,928	
Cash at bank and in hand		<u>3,814</u>		<u>5,301</u>	
		28,810		29,131	
CREDITORS: amounts falling due within one year	15	<u>(83,981)</u>		<u>(79,040)</u>	
NET CURRENT LIABILITIES			<u>(55,171)</u>		<u>(49,909)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			77,601		73,845
PROVISIONS FOR LIABILITIES	17		<u>(8,329)</u>		<u>(9,784)</u>
NET ASSETS			<u>69,272</u>		<u>64,061</u>
CAPITAL AND RESERVES					
Called up share capital	18		1,154		1,154
Share premium account	19		10,151		10,151
Capital redemption reserve	19		666		666
Retained earnings			57,301		52,090
TOTAL EQUITY			<u>69,272</u>		<u>64,061</u>

The financial statements on pages 8 to 21 were approved by the Board of Directors on 22 August 2016 and were signed on its behalf by:



C J Chambers
Director

The notes on pages 10 to 21 are an integral part of these financial statements.

AINSCOUGH CRANE HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 May 2016

1. GENERAL INFORMATION

Ainscough Crane Hire Limited ("the company") provide mobile crane hire and contract lifting through a national depot network. The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Bradley Hall, Bradley Lane, Standish, WN6 0XQ.

2. STATEMENT OF COMPLIANCE

The individual financial statements of Ainscough Crane Hire Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

Basis of preparation

These financial statements are prepared on a going concern basis under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Going concern

The company meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty over (a) the level of demand for the company's services; and (b) the availability of bank finance for the foreseeable future. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Exemptions for qualifying entities under FRS 102

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows and from disclosing key management personnel compensation, on the basis that it is a qualifying entity and its ultimate parent company, Accord Topco Limited, includes the company's cash flows in its own consolidated financial statements.

Consolidated financial statements

The company is a wholly owned subsidiary of Accord Bidco Limited and of its ultimate parent, Accord Topco Limited. It is included in the consolidated financial statements of Accord Topco Limited which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the company's separate financial statements.

AINSCOUGH CRANE HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 May 2016 (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency

Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

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.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

Revenue is recognised in the accounting period in which the crane hire occurs or the services are rendered. The whole of the revenue is attributable to the company's principal activities, which, in the opinion of the directors constitutes one class of business. Revenue and operating profit is principally generated in the UK.

Exceptional items

The company classifies certain items as 'exceptional' on the face of the income statement in arriving at operating profit. These are items which management consider need to be disclosed separately by virtue of their size, nature and occurrence to provide further understanding of the financial performance of the company.

Employee benefits

Defined contribution pension plans

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 when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

AINSCOUGH CRANE HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 May 2016 (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Intangible assets

Goodwill recognised on the hive up of acquired subsidiaries represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill arising on acquisitions has been capitalised and is being amortised over a period of 20 years, being the period expected to benefit. The company evaluates the carrying value of goodwill in each financial period to determine if there has been impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account.

Tangible fixed assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use which, in respect of refurbishment of mobile cranes, includes parts and an allocation of internal labour.

Depreciation is provided at the following rates in order to write off each asset over its estimated useful economic life:

Mobile cranes	- 10% per annum reducing balance
Motor vehicles	- 25% per annum reducing balance
Plant and equipment	- 10% per annum straight line
Chains and shackles	- 50% per annum reducing balance
Fixtures, fittings and equipment	- 15% per annum straight line
Computers and equipment	- 25% per annum straight line
Short leasehold land and buildings	- Period of lease

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Management review tangible fixed assets where there is an indication that impairment has occurred. For significant impairments, appropriate professional advice is undertaken. Impairment of value is determined where the post-tax realisable value and continuing working use value are less than the net book value of the asset.

Leased assets

Operating leased assets

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight line basis over the life of the lease.

AINSCOUGH CRANE HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 May 2016 (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Loans

Loans are stated at historical cost. Costs directly relating to the securing of the loans are deferred on the statement of financial position and released to the profit and loss account over the term of the loan.

Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are addressed below.

i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. See note 11 for the carrying amount of the property, plant and equipment, and note 3 for the useful economic lives for each class of asset.

ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 14 for the net carrying value of the debtors.

AINSCOUGH CRANE HIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 May 2016 (continued)**

5. OPERATING PROFIT

The operating profit is stated after charging:

	2016	2015
	£'000	£'000
Hire of plant and machinery	7,770	7,759
Operating lease charges	3,611	3,255
Inventory recognised as an expense	2,429	3,325
Depreciation	14,609	13,451
Audit fees payable to the company's auditors - audit services	45	48
- tax advisory services	11	11
	<u>11</u>	<u>11</u>

6. DIRECTORS AND EMPLOYEES COSTS

	2016	2015
	£'000	£'000
Wages and salaries	44,209	43,983
Social security costs	5,423	5,131
Other Pension costs – defined contribution scheme	600	596
	<u>50,232</u>	<u>49,710</u>

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

	2016	2015
	No.	No.
Operations	722	748
Administration	259	257
	<u>981</u>	<u>1,005</u>

	2016	2015
	£'000	£'000
Directors emoluments comprised:		
Aggregate emoluments	553	701
Company contributions to money purchase pension schemes	14	17
	<u>567</u>	<u>718</u>

Compensation for loss of office of £nil (2015: £nil) has been incurred during the year.

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2016	2015
	£'000	£'000
Emoluments	314	380
Contributions to money purchase pension schemes	<u>-</u>	<u>-</u>

AINSCOUGH CRANE HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 May 2016 (continued)

7. EXCEPTIONAL ADMINISTRATIVE EXPENSES

	2016 £'000	2015 £'000
Restructuring and refinancing costs	719	3,191
Write-off of debt issue costs	-	1,464
	<u>719</u>	<u>4,655</u>

During the year, the Company incurred professional advisor fees in relation to restructuring of the group.

8. NET INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £'000	2015 £'000
Bank interest payable	838	3,127
Interest receivable on intercompany borrowings	-	(2,059)
Interest payable on intercompany borrowings	6,955	1,288
Monitoring fee	1,000	-
	<u>8,793</u>	<u>2,356</u>

9. TAX (CREDIT)/CHARGE ON PROFIT ON ORDINARY ACTIVITIES

Analysis of the tax (credit)/charge

The taxation (credit)/charge based on the profit for the year is made up as follows:

	2016 £'000	2015 £'000
UK corporation tax on profits for the year	-	2,192
Adjustments in respect of prior years	75	(61)
	<u>75</u>	<u>2,131</u>
Deferred tax:		
Origination and reversal of timing differences	(858)	583
Adjustments in respect of prior years	27	55
Impact of change in rate	(981)	-
Total deferred tax (note 17)	<u>(1,812)</u>	<u>638</u>
Tax (credit)/charge on profit on ordinary activities	<u>(1,737)</u>	<u>2,769</u>

AINSCOUGH CRANE HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 May 2016 (continued)

9. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

Factors affecting the tax charge

The tax charge assessed for the year is lower (2015: lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £'000	2015 £'000
Profit on ordinary activities before taxation	3,474	18,428
Tax charge based on UK tax rate of 20.00% (2015: 20.83 %)	695	3,839
Effects of:		
Expenses not deductible for tax purposes	240	302
Other tax adjustments, reliefs and transfers	85	-
Chargeable gain	-	(139)
Group relief surrendered for nil consideration	(1,934)	(1,202)
Adjustments in respect of prior years	75	(61)
Adjustments to tax charge in respect of previous periods - deferred tax	27	55
Impact of change in rate	(925)	(25)
Tax (credit)/charge for the year	<u>(1,737)</u>	<u>2,769</u>

The main rate of corporation tax was reduced from 21% to 20% from 1 April 2015. Further reductions to the UK Corporation tax rates were substantively enacted as part of the Summer Finance Bill 2015 on 26 October 2015 and the Chancellor's budget on 16 March 2016. These include reductions to the main rate to 19% from 1 April 2017 and 17% from 1 April 2020.

The UK government have proposed that from 1 April 2017 tax relief on interest costs may be restricted to 30% of earnings before interest, depreciation and amortisation. This may have a material impact on the ongoing corporation tax liability of the company as group relief from other companies in the group may be restricted.

10. INTANGIBLE ASSETS

	Goodwill £'000
COST	
At 1 June 2015	-
Additions (note 22)	<u>126</u>
At 31 May 2016	126
ACCUMULATED AMORTISATION	
At 1 June 2015	-
Charge for the Year	<u>-</u>
At 31 May 2016	-
NET BOOK VALUE	
At 31 May 2016	<u>126</u>
At 31 May 2015	<u>-</u>

AINSCOUGH CRANE HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 May 2016 (continued)

11. TANGIBLE ASSETS

	Short leasehold £'000	Plant, equipment and vehicles £'000	Fixtures and fittings £'000	Total £'000
COST				
At 1 June 2015	1,330	223,864	7,542	232,736
Additions	-	19,307	1,320	20,627
Disposals	-	(10,271)	-	(10,271)
Transfer from subsidiary (note 22)	-	3,161	1	3,162
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2016	1,330	236,061	8,863	246,254
ACCUMULATED DEPRECIATION				
At 1 June 2015	825	104,731	3,428	108,984
Charge for year	93	13,375	1,141	14,609
Disposals	-	(7,269)	-	(7,269)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2016	918	110,837	4,569	116,324
NET BOOK VALUE				
At 31 May 2016	<hr/> 412	<hr/> 125,224	<hr/> 4,294	<hr/> 129,930
At 31 May 2015	<hr/> 505	<hr/> 119,133	<hr/> 4,114	<hr/> 123,752

12. INVESTMENTS

	Unlisted investments £'000
COST AND NET BOOK VALUE	
At 1 June 2015	2
Additions	2,714
	<hr/>
At 31 May 2016	<hr/> 2,716

The related undertakings in which the company's interest at the year end is 20% or more are as follows:

AINSCOUGH CRANE HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 May 2016 (continued)

12. INVESTMENTS (continued)

Subsidiary undertaking	Country of incorporation	Share capital held	Nature of business
Nationwide Crane Hire Limited	England	100%	Dormant ²
James Jack Lifting Services Limited	England	100%	Dormant ²
West Country Crane Hire Holdings Ltd	England	100%	Holding company ²
West Country Crane Hire Limited ¹	England	100%	Dormant ²
Douglas House Investments Limited ¹	England	100%	Dormant ²
JFHA Limited ¹	England	100%	Dormant ²
Ainscough Wind Energy Services Limited ¹	England	100%	Wind Turbine solutions
Windcon Energy Services Limited ¹	England	100%	Dormant ²
Specialist Crane Hire Limited	England	100%	Crane Hire
Marsden Crane Hire Limited	England	100%	Dormant
Jardine Crane Hire Limited	England	100%	Dormant

¹ Indirect share holding

² Companies are exempt from statutory audit

On 4 December 2015 the company acquired 100% of the share capital of Specialist Crane Hire Limited, Marsden Crane Hire Limited and Jardine Crane Hire Limited for consideration of £2.7m.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

13. STOCKS

	2016 £'000	2015 £'000
Raw materials and consumables	889	902

There is no significant difference between the replacement cost of inventory and its carrying amount.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £'000	2015 £'000
Trade debtors	17,255	17,083
Amounts owed by group undertakings	582	-
Other debtors	607	506
Corporation tax	438	-
Prepayments and accrued income	5,225	5,339
	24,107	22,928

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

AINSCOUGH CRANE HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 May 2016 (continued)

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £'000	2015 £'000
Trade creditors	5,400	4,607
Bank loans and overdrafts	13,000	-
Amounts owed to group undertakings	53,301	59,109
Corporation tax	57	278
Other creditors	551	3,006
Other taxation and social security	4,317	4,865
Accruals and deferred income	7,355	7,175
	<u>83,981</u>	<u>79,040</u>

The bank loans and overdrafts is a short-term revolving credit facility that incurs interest of 3.5% above LIBOR.

The intercompany loan is with Accord Bidco Limited and accrues interest at 12.0% per annum, the loan is repayable on demand.

16. TOTAL LEASE COMMITMENTS

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

	Land and buildings		Other	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Payments due:				
Not later than one year	1,769	1,573	1,444	1,403
Later than one year and not later than five years	8,136	7,570	2,791	2,913
Later than five years	890	2,115	-	-
	<u>10,795</u>	<u>11,258</u>	<u>4,235</u>	<u>4,316</u>

17. PROVISIONS FOR LIABILITIES

	Deferred Tax liability £'000
Balance at 1 June 2015	9,784
Transferred from subsidiary company (note 22)	357
Credit to profit and loss account during year (note 9)	(1,812)
Balance at 31 May 2016	<u><u>8,329</u></u>

	2016 £'000	2015 £'000
Deferred tax:		
Accelerated capital allowances	8,353	9,892
Other timing differences	(24)	(108)
	<u>8,329</u>	<u>9,784</u>

AINSCOUGH CRANE HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 May 2016 (continued)

18. CALLED UP SHARE CAPITAL

Allotted and fully paid:

	2016 £'000	2015 £'000
1,148,400 Ordinary shares of £1 each	1,148	1,148
571,400 Ordinary B shares of £0.01 each	6	6
	<u>1,154</u>	<u>1,154</u>

19. OTHER RESERVES

	Share premium account £'000	Capital redemption reserve £'000	Total £'000
At 1 June 2015 and 31 May 2016	<u>10,151</u>	<u>666</u>	<u>10,817</u>

20. DIVIDENDS

On the 19th December 2014 and as part of the group restructure, Ainscough Crane Hire Limited paid a dividend in specie to Bradley Hall Holdings Limited in settlement of the intercompany loan balance at that date of £94,958,476.

21. OTHER FINANCIAL COMMITMENTS

	2016 £'000	2015 £'000
Capital commitments as at 31 May	<u>-</u>	<u>7,639</u>

22. ACQUISITIONS

On 4 December 2015 the company acquired Specialist Crane Hire Limited, Marsden Crane Hire Limited and Jardine Crane Hire Limited, for £2,700,000. On 26 March 2016 the trade and assets of the company's subsidiary, Specialist Crane Hire Limited, were transferred to the company for a consideration of £3.4m.

The book values of assets and liabilities have been taken from the management accounts. No fair value adjustments were considered necessary.

	Book value £'000	Revaluation £'000	Fair value £'000
Tangible fixed assets	3,162	-	3,162
Intangible fixed assets	126	-	126
Stocks	40	-	40
Debtors	712	-	712
Cash at bank and in hand	23	-	23
Creditors	(262)	-	(262)
Deferred tax	(357)	-	(357)
Net assets acquired	<u>3,444</u>	<u>-</u>	<u>3,444</u>
Consideration satisfied by intercompany balance transfer			<u>3,444</u>

AINSCOUGH CRANE HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 May 2016 (continued)

23. RELATED PARTY TRANSACTIONS

The company has taken exemption contained within FRS 102 from disclosing transactions with entities that are wholly owned as part of the group.

The company incurred a management fee from OCM FLE LLC for £1,000,000 (2015: £nil). The balance as at 31 May 2016 is £1,000,000 (2015: £nil).

All related party transactions are considered to be at arm's length.

24. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent undertaking is Accord Bidco Limited.

The ultimate parent undertaking and controlling party is Oaktree Capital Management, a company incorporated in Luxemburg.

Accord Topco Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 May 2016. The consolidated financial statements of Accord Topco Limited are available from Bradley Hall, Bradley Lane, Standish, Wigan, WN6 0XQ.

25. TRANSITION FROM UK GAAP TO FRS 102

This is the first year that the Company has presented its result under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 31 May 2015. The date of the transition to FRS 102 was 1 June 2014.

None of the changes arising from the transition to FRS 102 resulted in any restatement of prior year results. Changes were primarily in respect of accounting disclosures and notes.