

Company Registration No. 04086465 (England and Wales)

# **B & W PLANT HIRE AND SALES LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

## **B & W PLANT HIRE AND SALES LIMITED**

### **COMPANY INFORMATION**

---

<b>Director</b>	Mr W R Whitwell
<b>Company number</b>	04086465
<b>Registered office</b>	Shorrocks Delf Brandy House Brow Blackburn BB2 3EY
<b>Auditor</b>	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP

---

## **B & W PLANT HIRE AND SALES LIMITED**

### **CONTENTS**

---

	<b>Page</b>
Strategic report	1 - 2
Director's report	3
Director's responsibilities statement	4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 24

---

## **B & W PLANT HIRE AND SALES LIMITED**

### **STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

---

The director presents the strategic report for the year ended 31 March 2020.

#### **Fair review of the business**

For the year ended 31 March 2020, the company has seen an increase in turnover from £12.3m to £12.9m. The increase has been achieved mainly from the hire of operated plant, which has impacted on gross margin and seen a decrease in gross profit margin from 55.0% to 50.7%. Non-operated plant continues to be the core income stream and has seen a small amount of growth in the year. Profit before tax has reduced slightly from £2.7m to £2.4m, with net profit before tax margin also having fallen slightly from 22.4% to 18.2%. Despite this fall in profit margin, the company has still had another very successful year and has seen net assets increase from £11.6m to £13m.

#### **Principal risks and uncertainties**

The principal risks and uncertainties the company faces, along with how the director seeks to mitigate these risks are explained below:

The company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, price risk, credit risk, liquidity risk and interest rate risk, where relevant. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs and as such, no hedge accounting is applied.

The company keeps abreast of all changing industry standards and regulations through both formal and informal training programs.

Sales performance can be dependant on the wider performance of the UK construction and building market and the Director keeps a careful eye on the impact of the current Covid-19 pandemic, along with any future implications of the ongoing Brexit negotiations. Whilst the company has mitigated these risks by taking advantage of payment holidays, government support and reducing costs where possible, the long term impact of these factors is still unknown.

#### **Development and performance**

The company has continued to invest in the plant fleet to maintain modern and reliable machines. Together with the retention of skilled staff, the company is able to provide a reliable service to its customer base. As such, the Director considers it well positioned for the future.

Trading for the first quarter to June 2020 has been impacted by the closure of some building sites and the initial lockdown restrictions implemented by the British Government. As these restrictions continue to ease and additional building sites re-open and return to normal levels of activity, the Director is confident of another successful year, albeit he is not expecting to achieve the same levels of turnover and profit as have been seen in recent years. However, the director is aware of the impact that Covid-19 has had on the industry and that this presents a material uncertainty in respect of the company's ability to continue trading as a going concern.

#### **Key performance indicators**

The company's key performance indicators are as follows:

Gross profit - 2020: 50.7% (2019: 55.0%)

Profit before dividends - 2020: £1.8m (2019: £2.3m)

Both key performance indicators were in line with company expectations.

**B & W PLANT HIRE AND SALES LIMITED**

**STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

---

**Other information and explanations**

Finally, the director would like to place on record his sincere thanks to the dedicated and talented staff employed throughout the company, without whose efforts the company would not continue to thrive.

On behalf of the board

**Mr W R Whitwell**  
**Director**

15 July 2020

## **B & W PLANT HIRE AND SALES LIMITED**

### **DIRECTOR'S REPORT**

**FOR THE YEAR ENDED 31 MARCH 2020**

---

The director presents his annual report and financial statements for the year ended 31 March 2020.

#### **Principal activities**

The principal activity of the company during the year was the hire and sale of construction industry plant and machinery.

#### **Director**

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr W R Whitwell

#### **Results and dividends**

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £358,000. The director does not recommend payment of a further dividend.

#### **Auditor**

The auditor, MHA Moore and Smalley, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Strategic report**

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and financial instruments.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

**Mr W R Whitwell**

**Director**

15 July 2020

## **B & W PLANT HIRE AND SALES LIMITED**

### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

**FOR THE YEAR ENDED 31 MARCH 2020**

---

The director is responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 enable them 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.

## **B & W PLANT HIRE AND SALES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBER OF B & W PLANT HIRE AND SALES LIMITED**

---

#### **Opinion**

We have audited the financial statements of B & W Plant Hire and Sales Limited (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 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.

#### **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.

#### **Material uncertainty relating to going concern**

We draw attention to note 1.2 to the financial statements which explains that despite reporting a retained profit of £1.4m and having net assets of £13m at the balance sheet date, conditions relating to the current Covid-19 pandemic indicate that a material uncertainty exists which may cast doubt over the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### **Other information**

The director is 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 this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our 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 the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.



## **B & W PLANT HIRE AND SALES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBER OF B & W PLANT HIRE AND SALES LIMITED**

---

##### **Matters on which we are required to report by exception**

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 material misstatements in the strategic report and the director's report.

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.

##### **Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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 of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **B & W PLANT HIRE AND SALES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBER OF B & W PLANT HIRE AND SALES LIMITED**

---

##### **Use of our report**

This report is made solely to the company's member 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 member those matters we are required to state to him 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 member for our audit work, for this report, or for the opinions we have formed.

**Virginia Cooper (Senior Statutory Auditor)**  
**for and on behalf of MHA Moore and Smalley**  
**Chartered Accountants**  
**Statutory Auditor**

Richard House  
9 Winckley Square  
Preston  
PR1 3HP

16 July 2020

**B & W PLANT HIRE AND SALES LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	2019 £
<b>Turnover</b>	<b>3</b>	12,938,918	12,262,540
Cost of sales		(6,381,551)	(5,515,702)
<b>Gross profit</b>		<u>6,557,367</u>	<u>6,746,838</u>
Administrative expenses		(3,861,067)	(3,689,851)
<b>Operating profit</b>	<b>4</b>	<u>2,696,300</u>	<u>3,056,987</u>
Interest receivable and similar income	<b>7</b>	1,206	1,179
Interest payable and similar expenses	<b>8</b>	(342,801)	(309,480)
<b>Profit before taxation</b>		<u>2,354,705</u>	<u>2,748,686</u>
Tax on profit	<b>9</b>	(581,182)	(497,784)
<b>Profit for the financial year</b>		<u><u>1,773,523</u></u>	<u><u>2,250,902</u></u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

**B & W PLANT HIRE AND SALES LIMITED****BALANCE SHEET****AS AT 31 MARCH 2020**

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	12	25,228,422		22,228,452	
<b>Current assets</b>					
Stocks	13	139,541		143,194	
Debtors	14	3,124,650		3,084,099	
Cash at bank and in hand		6,726		144,626	
		<u>3,270,917</u>		<u>3,371,919</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(7,478,943)</u>		<u>(6,892,552)</u>	
<b>Net current liabilities</b>			<u>(4,208,026)</u>		<u>(3,520,633)</u>
<b>Total assets less current liabilities</b>			21,020,396		18,707,819
<b>Creditors: amounts falling due after more than one year</b>	16		(6,456,235)		(6,056,358)
<b>Provisions for liabilities</b>	19		<u>(1,584,606)</u>		<u>(1,087,429)</u>
<b>Net assets</b>			<u>12,979,555</u>		<u>11,564,032</u>
<b>Capital and reserves</b>					
Called up share capital	22		500,100		500,100
Profit and loss reserves			<u>12,479,455</u>		<u>11,063,932</u>
<b>Total equity</b>			<u>12,979,555</u>		<u>11,564,032</u>

The financial statements were approved and signed by the director and authorised for issue on 15 July 2020

**Mr W R Whitwell**  
Director

**Company Registration No. 04086465**

# **B & W PLANT HIRE AND SALES LIMITED**

## **STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020**

		<b>Share capital</b>	<b>Profit and loss reserves</b>	<b>Total</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 April 2018</b>		500,100	9,392,280	9,892,380
<b>Year ended 31 March 2019:</b>				
Profit and total comprehensive income for the year		-	2,250,902	2,250,902
Dividends	<b>10</b>	-	(579,250)	(579,250)
<b>Balance at 31 March 2019</b>		500,100	11,063,932	11,564,032
<b>Year ended 31 March 2020:</b>				
Profit and total comprehensive income for the year		-	1,773,523	1,773,523
Dividends	<b>10</b>	-	(358,000)	(358,000)
<b>Balance at 31 March 2020</b>		500,100	12,479,455	12,979,555

## **B & W PLANT HIRE AND SALES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

---

#### **1 Accounting policies**

##### **Company information**

B & W Plant Hire and Sales Limited is a private company limited by shares incorporated in England and Wales. The registered office is Shorrocks Delf, Brandy House Brow, Blackburn, BB2 3EY.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts of financial instruments;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Brandy House Holdings Limited. These consolidated financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

##### **1.2 Going concern**

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

In January 2020, the World Health Organisation declared a global health emergency due to a pandemic outbreak of a new virus known as Covid-19. The pandemic will have a significant impact on a large number of businesses; thus the director is aware of certain material uncertainties which may cast doubt over the company's ability to continue as a going concern.

The current pandemic has resulted in management reviewing costs and overheads, with cost cutting measures put in place to remove non-essential costs whilst not impacting on the quality and speed of service provided, whilst also taking advantage of the furlough scheme and payment holidays on offer by suppliers. There are also Government assistance measures, such as temporary funding, which could be taken up by the company if required. As such, the director is confident that the company has adequate cash resources and can continue to operate within the current bank facilities available.

Given the fluidity of the situation, management continue to monitor events and take action as required. However, the director is aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern.

## **B & W PLANT HIRE AND SALES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

---

#### **1 Accounting policies**

**(Continued)**

##### **1.3 Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year for the hire and sale of construction industry plant and equipment, exclusive of Value Added Tax. Income is recognised in line with service delivery, the period of hire or based upon the progress of the relevant contract as appropriate.

##### **1.4 Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

##### **1.5 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures & equipment	15% straight line
Plant and machinery	over 3 - 7 years
Computer equipment	10% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

##### **1.6 Impairment of fixed assets**

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

##### **1.7 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Cost is calculated using the first in first out method.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### **1.8 Cash at bank and in hand**

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

## B & W PLANT HIRE AND SALES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

---

#### 1 Accounting policies

(Continued)

##### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

All of the company's financial assets are basic financial instruments.

##### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

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.



## **B & W PLANT HIRE AND SALES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

---

#### **1 Accounting policies**

**(Continued)**

##### ***Basic financial liabilities***

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. Trade creditors are recognised initially at transaction price.

##### ***Other financial liabilities***

All of the company's financial liabilities are basic financial instruments.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.11 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

#### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

## **B & W PLANT HIRE AND SALES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

---

#### **1 Accounting policies**

**(Continued)**

##### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### **1.14 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

##### **1.15 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

#### **2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### **Leases**

The Company enters into commercial property leases for its office and storage buildings. Where management has determined, based on an evaluation of the terms and conditions, that the lessor retains all significant risks and rewards of these properties, it will account for the contracts as operating leases.

## B & W PLANT HIRE AND SALES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 2 Judgements and key sources of estimation uncertainty

(Continued)

##### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### Depreciation

In determining the appropriate depreciation rates for the Company's assets, management reviews the operating policies of the business and makes judgements as to the applicable useful economic lives of the assets, considering residual values.

##### Stock valuation

Stocks are stated at the lower of cost (first in first out method) or net realisable value. The cost of stocks comprise net prices paid for materials purchased. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Stock provisions are recognised for slow-moving, obsolete or unsalable stock and are reviewed on a quarterly basis.

#### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Plant hire and sales	12,938,918	12,262,540

	2020 £	2019 £
<b>Other significant revenue</b>		
Interest income	1,206	1,179

	2020 £	2019 £
<b>Turnover analysed by geographical market</b>		
UK sales	12,938,918	12,262,540

#### 4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	521	-
Fees payable to the company's auditor for the audit of the company's financial statements	4,500	4,500
Depreciation of owned tangible fixed assets	1,322,926	1,346,480
Depreciation of tangible fixed assets held under finance leases	2,129,685	1,735,682
Profit on disposal of tangible fixed assets	(708,574)	(738,111)
Operating lease charges	354,699	344,947

**B & W PLANT HIRE AND SALES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020****5 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Sales	2	4
Distribution	47	48
Administration	12	14
	<u>61</u>	<u>66</u>

Their aggregate remuneration comprised:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,062,749	2,131,283
Social security costs	218,274	213,871
Pension costs	118,015	105,374
	<u>2,399,038</u>	<u>2,450,528</u>

**6 Director's remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	14,428	14,388
Company pension contributions to defined contribution schemes	37,683	44,360
	<u>52,111</u>	<u>58,748</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).

**7 Interest receivable and similar income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Other interest income	1,206	1,179
	<u>1,206</u>	<u>1,179</u>

## B & W PLANT HIRE AND SALES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 8 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and loans	17,350	9,063
Interest on finance leases and hire purchase contracts	304,568	281,696
Interest on invoice finance arrangements	20,883	14,882
Other interest	-	3,839
	<u>342,801</u>	<u>309,480</u>

#### 9 Taxation

	2020	2019
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	84,005	243,240
	<u>84,005</u>	<u>243,240</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	369,244	284,490
Changes in tax rates	127,933	(29,946)
	<u>497,177</u>	<u>254,544</u>
Total deferred tax	<u>497,177</u>	<u>254,544</u>
Total tax charge	<u>581,182</u>	<u>497,784</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Profit before taxation	<u>2,354,705</u>	<u>2,748,686</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	447,394	522,250
Tax effect of expenses that are not deductible in determining taxable profit	4,541	4,110
Effect of change in corporation tax rate	127,933	(29,946)
Group relief	-	(18)
Depreciation on assets not qualifying for tax allowances	1,314	1,388
	<u>581,182</u>	<u>497,784</u>
Taxation charge for the year	<u>581,182</u>	<u>497,784</u>

On 17 March 2020, the UK Government passed a resolution that had statutory effect under the Provisional Collection of Taxes Act 1968 to maintain the current corporation tax charge of 19%.

# **B & W PLANT HIRE AND SALES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

### **10 Dividends**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Final paid	358,000	579,250

### **11 Intangible fixed assets**

	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 April 2019 and 31 March 2020	500,000
<b>Amortisation and impairment</b>	
At 1 April 2019 and 31 March 2020	500,000
<b>Carrying amount</b>	
At 31 March 2020	-
At 31 March 2019	-

### **12 Tangible fixed assets**

	<b>Fixtures &amp; equipment</b>	<b>Plant and machinery</b>	<b>Computer equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 April 2019	446,335	33,677,788	45,266	1,554,900	35,724,289
Additions	58,017	7,041,521	7,053	316,226	7,422,817
Disposals	-	(3,244,974)	-	(155,383)	(3,400,357)
At 31 March 2020	504,352	37,474,335	52,319	1,715,743	39,746,749
<b>Depreciation and impairment</b>					
At 1 April 2019	270,357	12,247,301	26,114	952,065	13,495,837
Depreciation charged in the year	40,307	3,124,024	9,505	278,775	3,452,611
Eliminated in respect of disposals	-	(2,293,768)	-	(136,353)	(2,430,121)
At 31 March 2020	310,664	13,077,557	35,619	1,094,487	14,518,327
<b>Carrying amount</b>					
At 31 March 2020	193,688	24,396,778	16,700	621,256	25,228,422
At 31 March 2019	175,978	21,430,487	19,152	602,835	22,228,452

## B & W PLANT HIRE AND SALES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 12 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2020 £	2019 £
Plant and machinery	16,612,777	15,563,706
Motor vehicles	418,942	393,553
	<u>17,031,719</u>	<u>15,957,259</u>

#### 13 Stocks

	2020 £	2019 £
Finished goods and goods for resale	139,541	143,194
	<u>139,541</u>	<u>143,194</u>

#### 14 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	2,863,772	2,487,789
Corporation tax recoverable	15,995	-
Other debtors	141,743	449,953
Prepayments and accrued income	103,140	146,357
	<u>3,124,650</u>	<u>3,084,099</u>

#### 15 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans and overdrafts	17	740,172	586,003
Obligations under finance leases	18	4,872,647	4,415,643
Trade creditors		1,420,337	1,343,596
Amounts owed to group undertakings		215,000	200,000
Corporation tax		-	143,240
Other taxation and social security		52,078	71,144
Other creditors		-	6,266
Accruals and deferred income		178,709	126,660
		<u>7,478,943</u>	<u>6,892,552</u>

The overdraft facility is secured by way of fixed and floating charges over all assets of the company. Finance leases are secured against the assets to which they relate.

## B & W PLANT HIRE AND SALES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 16 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Obligations under finance leases	18	6,456,235	6,056,358

Finance leases are secured against the assets to which they relate.

#### 17 Loans and overdrafts

	2020 £	2019 £
Bank overdrafts	740,172	586,003
Payable within one year	740,172	586,003

The bank overdrafts above are secured by fixed charges over the assets of the company.

#### 18 Finance lease obligations

	2020 £	2019 £
Future minimum lease payments due under finance leases:		
Within one year	5,165,556	4,608,524
In two to five years	6,925,884	6,404,581
	12,091,440	11,013,105
Less: future finance charges	(762,558)	(541,104)
	11,328,882	10,472,001

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Finance leases include £1,034,156 of balances relating to assets acquired before 31 March 2020 but where the finance was completed within 3 months of the year end.

#### 19 Provisions for liabilities

	Notes	2020 £	2019 £
Deferred tax liabilities	20	1,584,606	1,087,429



## B & W PLANT HIRE AND SALES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 20 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	<b>Liabilities 2020 £</b>	<b>Liabilities 2019 £</b>
<b>Balances:</b>		
Accelerated capital allowances	1,585,146	1,088,302
Short term timing differences	(540)	(873)
	<u>1,584,606</u>	<u>1,087,429</u>
<b>Movements in the year:</b>		<b>2020 £</b>
Liability at 1 April 2019		1,087,429
Charge to profit or loss		369,244
Effect of change in tax rate - profit or loss		127,933
		<u>1,584,606</u>
Liability at 31 March 2020		<u>1,584,606</u>

It is not possible to quantify the amounts expected to reverse over the upcoming twelve months owing to uncertainties over the capital expenditure of the company.

#### 21 Retirement benefit schemes

	<b>2020 £</b>	<b>2019 £</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>118,015</u>	<u>105,374</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### 22 Share capital

	<b>2020 £</b>	<b>2019 £</b>
<b>Ordinary share capital Issued and fully paid</b>		
500,100 Ordinary shares of £1 each	<u>500,100</u>	<u>500,100</u>

## B & W PLANT HIRE AND SALES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 23 Operating lease commitments

##### Lessee

Operating lease payments represent rentals payable by the company for four properties. These property leases have original terms of 5 or 10 years each.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	217,000	216,992
Between two and five years	698,417	753,416
In over five years	237,667	352,939
	<u>1,153,084</u>	<u>1,323,347</u>

#### 24 Related party transactions

##### Transactions with related parties

During the year the company entered into the following transactions with related parties:

Category	Description of transaction	Income		Expenditure	
		2020 £	2019 £	2020 £	2019 £
Entities with control, joint control or significant influence over the company	Interest paid	-	-	16,100	-
Other related parties	Rent paid	-	-	210,133	201,800
Other related parties	Sales and purchases	3,557,657	4,299,446	1,604	23,811

##### Amounts owed to/by related parties

The following amounts were outstanding at the reporting end date:

Category	Amount owed to		Amounts owed by	
	2020 £	2019 £	2020 £	2019 £
Entities with control, joint control or significant influence over the company	215,000	200,000	-	-
Key management personnel	-	6,266	-	-
Other related parties	1,052	438	638,795	927,213

## **B & W PLANT HIRE AND SALES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

---

#### **25 Ultimate controlling party**

The ultimate parent company is Brandy House Holdings Limited, a company incorporated in England and Wales. The registered office of Brandy House Holdings is Shorrocks Delf, Brandy House Brow, Blackburn, BB2 3EY.

The ultimate controlling party is Mr W R Whitwell.

The largest and smallest group in which the results of the company are consolidated is that headed by Brandy House Holdings Limited. The consolidated financial statements of this group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.