

Company registration number 04086465 (England and Wales)

B & W PLANT HIRE AND SALES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2022

B & W PLANT HIRE AND SALES LIMITED

COMPANY INFORMATION

Directors	Mr W R Whitwell	
	Mr P R Fox	(Appointed 9 December 2022)
	Mrs K L Barnett	(Appointed 9 December 2022)
	Mr A Partington	(Appointed 9 December 2022)
Company number	04086465	
Registered office	11 Neptune Court Hallam Way Blackpool FY4 5LZ	
Auditor	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP	

B & W PLANT HIRE AND SALES LIMITED

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B & W PLANT HIRE AND SALES LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 AUGUST 2022

The directors present the strategic report for the period ended 31 August 2022.

Fair review of the business

For the period ended 31 August 2022, the company has seen a pro-rata increase in turnover of 13.6%, which is due to the continued investment and expansion of the fleet and the impact of seasonality, with no impact of the Christmas closure of building sites seen in this period. Gross margin has seen an increase to 49.6% from 48.0% which is due to the mix of sales and the type of items on hire. Non-operated plant continues to be the core income stream, supported by operated plant rental. The result of a successful period of trading is that net assets have increased to £15.9m from £14.7m.

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.

Current global forces, such as supply chain pressures and the war in Ukraine are reviewed to assess any impact on the company. Whilst there continues to be a limited supply of new equipment, due to the above factors and the recovery from Covid-19 through the world, good relationships are held with suppliers and customers to help manage any delays that are seen.

The cost of living crisis may have an impact on the company due to the residential housing market being affected by higher interest rates. However, the commercial market remains strong due to committed long term investment being made.

Credit control continues to be difficult as companies and clients continue to work out of the cycle of the pandemic and are now being impacted by the effect of rising inflation and the knock-on effects from the war in Ukraine. The company seeks to minimise this risk by having in place credit control procedures and by reviewing the level of credit given to customers.

Development and performance

During December 2022, Fox Brothers Group Ltd acquired 51% of the voting rights in the immediate parent company, B & W Plant Group Ltd. This acquisition gives the company access to a wider geographical network to grow the business and its national footprint further by redistributing some of its plant pool into new sites to further increase sales and maximise the investment made over the last 12 months.

There are further opportunities for cost savings and reductions in carbon footprint by the relocation of plant closer to the end customer by utilising depots in the Fox network.

The company has continued to invest in new equipment to ensure they retain their market share by supplying the construction industry with modern, efficient and reliable equipment.

The company has traded consistently and within expectations since recovery from the Covid-19 pandemic began in February 2021. The current period has seen continued investment due to the company being successful within the large equipment sector.

The directors feel that the next years trading will be a year of consolidation due to the amount of investment which has been made over the last 6 years. They feel that the company will continue to operate within the existing parameters of the financial period under review with regards to sales and profit margin.

B & W PLANT HIRE AND SALES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2022

Key performance indicators

The company's key performance indicators are as follows:

Gross profit – 5 months to 31 August 2022: 49.6% (Year to March 2022: 48.0%)

Profit before dividends – 5 months to 31 August 2022: £1.2m (Year to March 2022: £1.8m)

Both key performance indicators were in line with company expectations.

Other information and explanations

Finally, the directors would like to place on record their sincere thanks to the dedicated and talented staff employed throughout the company, without whose efforts the company would not continue to thrive. They are very grateful to all members of the team for their hard work and loyalty they have shown throughout the period under review.

On behalf of the board

Mr W R Whitwell
Director

17 February 2023

B & W PLANT HIRE AND SALES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2022

The directors present their annual report and financial statements for the period ended 31 August 2022.

Principal activities

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

Results and dividends

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

Ordinary dividends were paid amounting to £7,500. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr W R Whitwell

Mr P R Fox

(Appointed 9 December 2022)

Mrs K L Barnett

(Appointed 9 December 2022)

Mr A Partington

(Appointed 9 December 2022)

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

17 February 2023

B & W PLANT HIRE AND SALES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- 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.

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 period ended 31 August 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2022 and of its profit for the period 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

B & W PLANT HIRE AND SALES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations;
- Enquires with management about any known or suspected instances of fraud;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries.

Because of the field in which the client operates we identified that employment law, health and safety legislation and compliance with the UK Companies Act are the areas most likely to have a material impact on the financial statements.

B & W PLANT HIRE AND SALES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 the member 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

21 February 2023

B & W PLANT HIRE AND SALES LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 AUGUST 2022**

		Period ended 31 August 2022 £	Year ended 31 March 2022 £
	Notes		
Turnover	3	7,524,046	15,890,720
Cost of sales		(3,793,600)	(8,264,102)
Gross profit		<u>3,730,446</u>	<u>7,626,618</u>
Administrative expenses		(2,097,762)	(5,208,746)
Other operating income		-	30,479
Operating profit	4	<u>1,632,684</u>	<u>2,448,351</u>
Interest receivable and similar income	7	1,097	541
Interest payable and similar expenses	8	(254,348)	(449,218)
Profit before taxation		<u>1,379,433</u>	<u>1,999,674</u>
Tax on profit	9	(135,864)	(160,273)
Profit for the financial period		<u><u>1,243,569</u></u>	<u><u>1,839,401</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 AUGUST 2022**

		August 2022		March 2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12	37,586,425		36,378,528	
Current assets					
Stocks	13	155,870		168,022	
Debtors	14	4,371,533		4,815,724	
Cash at bank and in hand		36,734		128,791	
		<u>4,564,137</u>		<u>5,112,537</u>	
Creditors: amounts falling due within one year	15	<u>(11,080,755)</u>		<u>(12,395,424)</u>	
Net current liabilities			<u>(6,516,618)</u>		<u>(7,282,887)</u>
Total assets less current liabilities			31,069,807		29,095,641
Creditors: amounts falling due after more than one year	16		(12,929,726)		(12,358,653)
Provisions for liabilities					
Deferred tax liability	19	<u>2,241,536</u>	<u>(2,241,536)</u>	<u>2,074,512</u>	<u>(2,074,512)</u>
Net assets			<u>15,898,545</u>		<u>14,662,476</u>
Capital and reserves					
Called up share capital	21		500,100		500,100
Profit and loss reserves			<u>15,398,445</u>		<u>14,162,376</u>
Total equity			<u>15,898,545</u>		<u>14,662,476</u>

The financial statements were approved by the board of directors and authorised for issue on 17 February 2023 and are signed on its behalf by:

Mr W R Whitwell
Director

Company Registration No. 04086465

B & W PLANT HIRE AND SALES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 AUGUST 2022

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 April 2021		500,100	12,760,975	13,261,075
Year ended 31 March 2022:				
Profit and total comprehensive income for the year		-	1,839,401	1,839,401
Dividends	10	-	(438,000)	(438,000)
Balance at 31 March 2022		500,100	14,162,376	14,662,476
Period ended 31 August 2022:				
Profit and total comprehensive income for the period		-	1,243,569	1,243,569
Dividends	10	-	(7,500)	(7,500)
Balance at 31 August 2022		500,100	15,398,445	15,898,545

B & W PLANT HIRE AND SALES LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 AUGUST 2022

	Notes	August 2022		March 2022	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	25	2,018,239		5,395,626	
Interest paid		(254,348)		(449,218)	
Income taxes refunded		249,780		-	
Net cash inflow from operating activities		2,013,671		4,946,408	
Investing activities					
Purchase of tangible fixed assets		(13,661)		(3,356,488)	
Proceeds on disposal of tangible fixed assets		1,628,886		4,175,669	
Interest received		1,097		541	
Net cash generated from investing activities		1,616,322		819,722	
Financing activities					
Payment of finance leases obligations		(3,388,731)		(6,777,277)	
Dividends paid		(7,500)		(438,000)	
Net cash used in financing activities		(3,396,231)		(7,215,277)	
Net increase/(decrease) in cash and cash equivalents		233,762		(1,449,147)	
Cash and cash equivalents at beginning of period		(619,188)		829,959	
Cash and cash equivalents at end of period		(385,426)		(619,188)	
Relating to:					
Cash at bank and in hand		36,734		128,791	
Bank overdrafts included in creditors payable within one year		(422,160)		(747,979)	

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2022

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 11 Neptune Court, Hallam Way, Blackpool, FY4 5LZ. The company's place of business is Shorrocks Delf, Brandy House Brow, Blackburn, BB2 3EY.

1.1 Reporting period

The current reporting period covers the 5 months from 1 April 2022 to 31 August 2022. The previous accounting period covered the 12 months from 1 April 2021 to 31 March 2022. As such, the two reporting periods are not entirely comparable. The reporting date has been changed for administrative purposes.

1.2 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.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, with group support available should it be required. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 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.

1.5 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.

1.6 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

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

1.7 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.

1.8 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.

1.9 Cash and cash equivalents

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.

1.10 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.

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

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.

1.11 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.

1.12 Taxation

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

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

1.13 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.

1.14 Retirement benefits

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

1.15 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.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are 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.

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:

	August 2022 £	March 2022 £
Turnover analysed by class of business		
Plant hire and sales	7,524,046	15,890,720
	<u> </u>	<u> </u>
	August 2022 £	March 2022 £
Turnover analysed by geographical market		
UK sales	7,524,046	15,890,720
	<u> </u>	<u> </u>

B & W PLANT HIRE AND SALES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE PERIOD ENDED 31 AUGUST 2022**3 Turnover and other revenue (Continued)**

	August 2022	March 2022
	£	£
Other revenue		
Interest income	1,097	541
Grants received	-	30,479
	<u> </u>	<u> </u>

4 Operating profit

	August 2022	March 2022
	£	£
Operating profit for the period is stated after charging/(crediting):		
Government grants	-	(30,479)
Fees payable to the company's auditor for the audit of the company's financial statements	7,300	5,500
Depreciation of owned tangible fixed assets	620,467	1,532,333
Depreciation of tangible fixed assets held under finance leases	1,508,254	2,940,588
Profit on disposal of tangible fixed assets	(581,020)	(1,139,634)
Operating lease charges	143,260	314,846
	<u> </u>	<u> </u>

5 Employees

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

	August 2022	March 2022
	Number	Number
Sales	2	2
Distribution	12	13
Administration	57	52
	<u> </u>	<u> </u>
Total	71	67
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	August 2022	March 2022
	£	£
Wages and salaries	1,127,443	2,417,255
Social security costs	132,976	266,088
Pension costs	96,319	168,548
	<u> </u>	<u> </u>
	1,356,738	2,851,891
	<u> </u>	<u> </u>

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2022

6 Directors' remuneration

	August 2022 £	March 2022 £
Remuneration for qualifying services	7,057	14,307
Company pension contributions to defined contribution schemes	17,072	40,980
	<u>24,129</u>	<u>55,287</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (March 2022 - 1).

7 Interest receivable and similar income

	August 2022 £	March 2022 £
Interest income		
Other interest income	1,097	541
	<u>1,097</u>	<u>541</u>

8 Interest payable and similar expenses

	August 2022 £	March 2022 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	16,888	29,806
Interest on invoice finance arrangements	11,394	9,613
	<u>28,282</u>	<u>39,419</u>
Other finance costs:		
Interest on finance leases and hire purchase contracts	226,066	409,799
	<u>254,348</u>	<u>449,218</u>

9 Taxation

	August 2022 £	March 2022 £
Current tax		
Adjustments in respect of prior periods	(31,160)	-
	<u>(31,160)</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	126,938	(368,770)
Changes in tax rates	40,086	497,883
Adjustment in respect of prior periods	-	31,160
	<u>167,024</u>	<u>160,273</u>
Total deferred tax	<u>167,024</u>	<u>160,273</u>
Total tax charge	<u>135,864</u>	<u>160,273</u>

B & W PLANT HIRE AND SALES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 AUGUST 2022****9 Taxation****(Continued)**

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

	August 2022	March 2022
	£	£
Profit before taxation	1,379,433	1,999,674
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (March 2022: 19.00%)	262,092	379,938
Tax effect of expenses that are not deductible in determining taxable profit	5,277	7,391
Effect of change in corporation tax rate	40,086	497,883
Permanent capital allowances in excess of depreciation	(142,700)	(761,461)
Depreciation on assets not qualifying for tax allowances	2,269	5,362
Under/(over) provided in prior years	(31,160)	-
Deferred tax adjustments in respect of prior years	-	31,160
	<u> </u>	<u> </u>
Taxation charge for the period	135,864	160,273
	<u> </u>	<u> </u>

The Chancellor stated his intention to maintain the main rate of corporation tax at 19%. This change to previously announced policy was substantively enacted on 17 March 2020. The Chancellor subsequently announced his intention to increase the headline rate of corporation tax to 25% from 1 April 2023, this policy was substantively enacted on 25 May 2021.

10 Dividends

	August 2022	March 2022
	£	£
Final paid	7,500	438,000
	<u> </u>	<u> </u>

11 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 April 2022 and 31 August 2022	500,000
	<u> </u>
Amortisation and impairment	
At 1 April 2022 and 31 August 2022	500,000
	<u> </u>
Carrying amount	
At 31 August 2022	-
	<u> </u>
At 31 March 2022	-
	<u> </u>

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2022

12 Tangible fixed assets

	Fixtures & equipment £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2022	464,944	47,469,612	73,760	2,398,934	50,407,250
Additions	32,160	4,315,527	4,324	32,473	4,384,484
Disposals	-	(2,420,030)	-	(234,834)	(2,654,864)
At 31 August 2022	497,104	49,365,109	78,084	2,196,573	52,136,870
Depreciation and impairment					
At 1 April 2022	192,443	12,433,739	51,790	1,350,750	14,028,722
Depreciation charged in the period	28,250	1,915,626	2,969	181,876	2,128,721
Eliminated in respect of disposals	-	(1,372,164)	-	(234,834)	(1,606,998)
At 31 August 2022	220,693	12,977,201	54,759	1,297,792	14,550,445
Carrying amount					
At 31 August 2022	276,411	36,387,908	23,325	898,781	37,586,425
At 31 March 2022	272,501	35,035,873	21,970	1,048,184	36,378,528

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

	August 2022 £	March 2022 £
Plant and machinery	30,299,186	27,870,919
Motor vehicles	659,163	709,717
	<u>30,958,349</u>	<u>28,580,636</u>

13 Stocks

	August 2022 £	March 2022 £
Finished goods and goods for resale	<u>155,870</u>	<u>168,022</u>

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2022

14 Debtors

	August 2022 £	March 2022 £
Amounts falling due within one year:		
Trade debtors	4,083,474	3,596,602
Corporation tax recoverable	-	218,620
Other debtors	118,901	876,172
Prepayments and accrued income	169,158	124,330
	<u>4,371,533</u>	<u>4,815,724</u>

15 Creditors: amounts falling due within one year

	Notes	August 2022 £	March 2022 £
Bank loans and overdrafts	17	1,722,160	2,047,979
Obligations under finance leases	18	7,527,397	7,116,378
Trade creditors		1,604,949	2,795,146
Amounts owed to group undertakings		-	150,000
Taxation and social security		71,623	70,337
Other creditors		-	50,000
Accruals and deferred income		154,626	165,584
		<u>11,080,755</u>	<u>12,395,424</u>

The bank loans and overdrafts are 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.

16 Creditors: amounts falling due after more than one year

	Notes	August 2022 £	March 2022 £
Obligations under finance leases	18	<u>12,929,726</u>	<u>12,358,653</u>

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

17 Loans and overdrafts

	August 2022 £	March 2022 £
Bank loans	1,300,000	1,300,000
Bank overdrafts	422,160	747,979
	<u>1,722,160</u>	<u>2,047,979</u>
Payable within one year	<u>1,722,160</u>	<u>2,047,979</u>

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2022

18 Finance lease obligations

	August 2022	March 2022
	£	£
Future minimum lease payments due under finance leases:		
Within one year	8,071,968	7,578,420
In two to five years	14,019,203	13,190,950
	<u>22,091,171</u>	<u>20,769,370</u>
Less: future finance charges	(1,634,048)	(1,294,339)
	<u>20,457,123</u>	<u>19,475,031</u>

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 4-5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Finance leases include £1,135,765 of balances relating to assets acquired before 31 August 2022 but where the finance was completed within 3 months of the year end.

19 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:

	Liabilities August 2022	Liabilities March 2022
	£	£
Balances:		
Accelerated capital allowances	6,567,631	5,994,037
Tax losses	(4,324,854)	(3,918,781)
Short term timing differences	(1,241)	(744)
	<u>2,241,536</u>	<u>2,074,512</u>
Movements in the period:		August 2022
		£
Liability at 1 April 2022		2,074,512
Charge to profit or loss		126,938
Effect of change in tax rate - profit or loss		40,086
Liability at 31 August 2022		<u>2,241,536</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.

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2022

20 Retirement benefit schemes

	August 2022	March 2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	96,319	168,548

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.

21 Share capital

	August 2022	March 2022	August 2022	March 2022
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	500,100	500,100	500,100	500,100

22 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:

	August 2022	March 2022
	£	£
Within one year	184,027	162,000
Between two and five years	485,978	484,667
In over five years	15,333	53,667
	685,338	700,334

23 Related party transactions

Remuneration of key management personnel

Key management personnel and the directors are the same, and therefore the company has taken the exemption under FRS 102 33.7A to not disclose key management personnel remuneration.

Transactions with related parties

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

Category	Description of transaction	Income		Expenditure	
		August 2022	March 2022	August 2022	March 2022
		£	£	£	£
Other related parties	Rent paid	-	-	88,250	211,820
Other related parties	Sales and purchases	1,475,968	3,605,549	40,659	6,741

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2022

23 Related party transactions

(Continued)

Balances with related parties

The following amounts were outstanding at the reporting end date:

Category	Amounts owed by related parties		Amounts owed to related parties	
	August 2022	March 2022	August 2022	March 2022
	£	£	£	£
Entities with control, joint control or significant influence over the company	-	-	-	150,000
Other related parties	686,741	750,839	-	50,000

24 Ultimate controlling party

At the balance sheet date, the ultimate parent company was Brandy House Holdings Limited, a company incorporated in England and Wales. The registered office of Brandy House Holdings is 11 Neptune Court, Hallam Way, Blackpool, FY4 5LZ.

From 9 December 2022, the ultimate parent company is Fox Brothers Group Ltd, a company incorporated in England and Wales. The registered office of Fox Brothers Group Ltd is 11 Neptune Court, Hallam Way, Whitehills Business Park, Blackpool, FY4 5LZ.

At the balance sheet date, the ultimate controlling party was Mr W R Whitwell. From 9 December 2022, there is no individual controlling party.

The company was not included in any consolidated financial statements as at 31 August 2022, due to the change in reporting date.

25 Cash generated from operations

	August 2022 £	March 2022 £
Profit for the period after tax	1,243,569	1,839,401
Adjustments for:		
Taxation charged	135,864	160,273
Finance costs	254,348	449,218
Investment income	(1,097)	(541)
Gain on disposal of tangible fixed assets	(581,020)	(1,139,634)
Depreciation and impairment of tangible fixed assets	2,128,721	4,472,921
Movements in working capital:		
Decrease/(increase) in stocks	12,152	(40,392)
Decrease/(increase) in debtors	225,571	(1,474,004)
(Decrease)/increase in creditors	(1,399,869)	1,128,384
Cash generated from operations	2,018,239	5,395,626

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2022

26 Analysis of changes in net debt

	1 April 2022	Cash flows	New finance leases	31 August 2022
	£	£	£	£
Cash at bank and in hand	128,791	(92,057)	-	36,734
Bank overdrafts	(747,979)	325,819	-	(422,160)
	<u>(619,188)</u>	<u>233,762</u>	<u>-</u>	<u>(385,426)</u>
Borrowings excluding overdrafts	(1,300,000)	-	-	(1,300,000)
Obligations under finance leases	(19,475,031)	3,388,731	(4,370,823)	(20,457,123)
	<u>(21,394,219)</u>	<u>3,622,493</u>	<u>(4,370,823)</u>	<u>(22,142,549)</u>

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.