

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 2021



B & W PLANT HIRE AND SALES LIMITED

COMPANY INFORMATION

Director	Mr W R Whitwell
Company number	04086465
Registered office	Shorrocks Delf Brandy House Brow Blackburn BB2 3EY
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 YEAR ENDED 31 MARCH 2021

The director presents the strategic report for the year ended 31 March 2021.

Fair review of the business

For the year ended 31 March 2021, the company has seen a decrease in turnover from £12.9m to £9.7m, with the decrease largely due to the impact of Covid-19 and the closure of sites throughout the country. Gross margin has seen a decrease from 50.7% to 44.5%, which is due to both the mix of sales and the impact of Covid-19. Non-operated plant continues to be the core income stream, supported by operated plant rental. Profit before tax has reduced from £2.4m to £0.5m. Despite the fall in profits, the group has still had a successful year in challenging circumstances and has seen net assets increase from £13.0m to £13.3m.

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 is dependent on the wider performance of the UK construction and building sector and the director continues to review and adjust the company strategy with regards to the impact of the Covid-19 pandemic. 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 Covid-19 and Brexit are still relatively 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 two quarters to September 2020 were massively impacted by the Covid-19 pandemic which resulted with the closure of building sites as a result of the initial lockdown restrictions implemented by the British Government. Business activity improved for the final six months trading as the restrictions were eased, however pre Covid-19 trading was not achieved until February 2021. The director is now confident of another successful year ahead after continued recovery in March 2021 and positive trading in the quarter to June 2021.

Key performance indicators

The company's key performance indicators are as follows:

Gross profit – 2021: 44.5% (2020: 50.7%)

Profit before dividends – 2021: £0.4m (2020: £1.8m)

Both key performance indicators were in line with company expectations.

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.

B & W PLANT HIRE AND SALES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

On behalf of the board

Mr W R Whitwell
Director

6 August 2021

B & W PLANT HIRE AND SALES LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The director presents his annual report and financial statements for the year ended 31 March 2021.

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 year are set out on page 8.

Ordinary dividends were paid amounting to £138,000. The director does not recommend payment of a further dividend.

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

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

6 August 2021

B & W PLANT HIRE AND SALES LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 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 2021 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 director 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 director is 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 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.

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.

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 our procedures are capable of detecting irregularities, including fraud, is 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 recognise 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 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

6 August 2021

B & W PLANT HIRE AND SALES LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
Turnover	3	9,684,453	12,938,918
Cost of sales		(5,378,606)	(6,381,551)
Gross profit		<u>4,305,847</u>	<u>6,557,367</u>
Administrative expenses		(3,846,587)	(3,861,067)
Other operating income		383,521	-
Operating profit	4	<u>842,781</u>	<u>2,696,300</u>
Interest receivable and similar income	7	7,120	1,206
Interest payable and similar expenses	8	(317,980)	(342,801)
Profit before taxation		<u>531,921</u>	<u>2,354,705</u>
Tax on profit	9	(112,401)	(581,182)
Profit for the financial year		<u><u>419,520</u></u>	<u><u>1,773,523</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 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12	26,180,883		25,228,422	
Current assets					
Stocks	13	127,630		139,541	
Debtors	14	3,341,720		3,124,650	
Cash at bank and in hand		829,959		6,726	
		<u>4,299,309</u>		<u>3,270,917</u>	
Creditors: amounts falling due within one year	15	<u>(7,117,386)</u>		<u>(7,478,943)</u>	
Net current liabilities			<u>(2,818,077)</u>		<u>(4,208,026)</u>
Total assets less current liabilities			23,362,806		21,020,396
Creditors: amounts falling due after more than one year	16		(8,187,492)		(6,456,235)
Provisions for liabilities					
Deferred tax liability	19	<u>1,914,239</u>	<u>(1,914,239)</u>	<u>1,584,606</u>	<u>(1,584,606)</u>
Net assets			<u>13,261,075</u>		<u>12,979,555</u>
Capital and reserves					
Called up share capital	21		500,100		500,100
Profit and loss reserves			<u>12,760,975</u>		<u>12,479,455</u>
Total equity			<u>13,261,075</u>		<u>12,979,555</u>

The financial statements were approved and signed by the director and authorised for issue on 6 August 2021

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 2021

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 April 2019		500,100	11,063,932	11,564,032
Year ended 31 March 2020:				
Profit and total comprehensive income for the year		-	1,773,523	1,773,523
Dividends	10	-	(358,000)	(358,000)
Balance at 31 March 2020		500,100	12,479,455	12,979,555
Year ended 31 March 2021:				
Profit and total comprehensive income for the year		-	419,520	419,520
Dividends	10	-	(138,000)	(138,000)
Balance at 31 March 2021		500,100	12,760,975	13,261,075

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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.

Whilst the director is aware of the impact that the Covid-19 has had on a number of businesses, the company has continued to trade throughout the pandemic, albeit with sales impacted for a number of months, with pre Covid-19 trading was not achieved until February 2021. After continued recovery in March 2021 and positive trading in the quarter to June 2021, the director is confident of further successful trading.

The 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. The company has been supported by government initiatives such as the furlough scheme and access to supportive funding. Given the fluidity of the situation, management continue to monitor events and take action as required.

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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 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.

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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 2021

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 2021

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 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.

1.16 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 in the period are included in profit or loss.

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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.

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:

	2021 £	2020 £
Turnover analysed by class of business		
Plant hire and sales	9,684,453	12,938,918

B & W PLANT HIRE AND SALES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2021****3 Turnover and other revenue (Continued)**

	2021 £	2020 £
Other significant revenue		
Interest income	7,120	1,206
Grants received	383,521	-
	<u> </u>	<u> </u>
	2021 £	2020 £
Turnover analysed by geographical market		
UK sales	9,684,453	12,938,918
	<u> </u>	<u> </u>

4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	-	521
Government grants	(383,521)	-
Fees payable to the company's auditor for the audit of the company's financial statements	5,130	4,500
Depreciation of owned tangible fixed assets	881,134	1,322,926
Depreciation of tangible fixed assets held under finance leases	2,039,344	2,129,685
Profit on disposal of tangible fixed assets	(362,942)	(708,574)
Operating lease charges	292,370	354,699
	<u> </u>	<u> </u>

5 Employees

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

	2021 Number	2020 Number
Sales	2	2
Distribution	11	12
Administration	47	47
	<u> </u>	<u> </u>
Total	60	61
	<u> </u>	<u> </u>

B & W PLANT HIRE AND SALES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021****5 Employees (Continued)**

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	1,939,354	2,062,749
Social security costs	196,526	218,274
Pension costs	112,918	118,015
	<u>2,248,798</u>	<u>2,399,038</u>

6 Director's remuneration

	2021 £	2020 £
Remuneration for qualifying services	13,748	14,428
Company pension contributions to defined contribution schemes	40,973	37,683
	<u>54,721</u>	<u>52,111</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

7 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Other interest income	7,120	1,206
	<u>7,120</u>	<u>1,206</u>

8 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and loans	17,200	17,350
Interest on invoice finance arrangements	5,764	20,883
Interest on finance leases and hire purchase contracts	291,233	304,568
Other interest	3,783	-
	<u>317,980</u>	<u>342,801</u>

B & W PLANT HIRE AND SALES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2021****9 Taxation**

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	-	84,005
Adjustments in respect of prior periods	(217,232)	-
	<u>(217,232)</u>	<u>84,005</u>
Deferred tax		
Origination and reversal of timing differences	329,633	369,244
Changes in tax rates	-	127,933
	<u>329,633</u>	<u>497,177</u>
Total tax charge	<u>112,401</u>	<u>581,182</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:

	2021	2020
	£	£
Profit before taxation	<u>531,921</u>	<u>2,354,705</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	101,065	447,394
Tax effect of expenses that are not deductible in determining taxable profit	6,594	4,541
Effect of change in corporation tax rate	-	127,933
Depreciation on assets not qualifying for tax allowances	4,742	1,314
	<u>112,401</u>	<u>581,182</u>
Taxation charge for the year	<u>112,401</u>	<u>581,182</u>

The Finance Act 2016 announced a reduction in the rate of the UK corporation tax to 17% from 1 April 2020. The Chancellor subsequently 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 and therefore deferred tax has been provided for at 19%.

10 Dividends

	2021	2020
	£	£
Final paid	<u>138,000</u>	<u>358,000</u>

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2020 and 31 March 2021	500,000
Amortisation and impairment	
At 1 April 2020 and 31 March 2021	500,000
Carrying amount	
At 31 March 2021	-
At 31 March 2020	-

12 Tangible fixed assets

	Fixtures & equipment £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2020	504,352	37,474,335	52,319	1,715,743	39,746,749
Additions	175,023	5,095,843	13,000	229,709	5,513,575
Disposals	-	(4,917,892)	-	(218,693)	(5,136,585)
At 31 March 2021	679,375	37,652,286	65,319	1,726,759	40,123,739
Depreciation and impairment					
At 1 April 2020	310,664	13,077,557	35,619	1,094,487	14,518,327
Depreciation charged in the year	57,049	2,622,367	9,625	231,437	2,920,478
Eliminated in respect of disposals	-	(3,340,535)	-	(155,414)	(3,495,949)
At 31 March 2021	367,713	12,359,389	45,244	1,170,510	13,942,856
Carrying amount					
At 31 March 2021	311,662	25,292,897	20,075	556,249	26,180,883
At 31 March 2020	193,688	24,396,778	16,700	621,256	25,228,422

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

	2021 £	2020 £
Plant and machinery	19,343,509	16,612,777
Motor vehicles	263,827	418,942
	19,607,336	17,031,719

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Stocks

	2021	2020
	£	£
Finished goods and goods for resale	127,630	139,541

14 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	2,597,248	2,863,772
Corporation tax recoverable	218,620	15,995
Other debtors	435,467	141,743
Prepayments and accrued income	90,385	103,140
	<u>3,341,720</u>	<u>3,124,650</u>

15 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	£
Bank loans and overdrafts	17	-	740,172
Obligations under finance leases	18	5,014,703	4,872,647
Trade creditors		1,778,140	1,420,337
Amounts owed to group undertakings		-	215,000
Taxation and social security		56,149	52,078
Accruals and deferred income		268,394	178,709
		<u>7,117,386</u>	<u>7,478,943</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	2021	2020
		£	£
Bank loans and overdrafts	17	1,300,000	-
Obligations under finance leases	18	6,887,492	6,456,235
		<u>8,187,492</u>	<u>6,456,235</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.

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Loans and overdrafts

	2021 £	2020 £
Bank loans	1,300,000	-
Bank overdrafts	-	740,172
	<u>1,300,000</u>	<u>740,172</u>
Payable within one year	-	740,172
Payable after one year	<u>1,300,000</u>	<u>-</u>

18 Finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Within one year	5,308,053	5,165,556
In two to five years	7,308,758	6,925,884
In over five years	<u>11,049</u>	<u>-</u>
	12,627,860	12,091,440
Less: future finance charges	<u>(725,665)</u>	<u>(762,558)</u>
	<u>11,902,195</u>	<u>11,328,882</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 £905,552 of balances relating to assets acquired before 31 March 2021 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 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	1,915,327	1,585,146
Short term timing differences	<u>(1,088)</u>	<u>(540)</u>
	<u>1,914,239</u>	<u>1,584,606</u>

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19 Deferred taxation (Continued)

	2021 £
Movements in the year:	
Liability at 1 April 2020	1,584,606
Charge to profit or loss	329,633
	<u>1,914,239</u>
Liability at 31 March 2021	<u>1,914,239</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.

20 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	112,918	118,015
	<u>112,918</u>	<u>118,015</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.

21 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	500,100	500,100	500,100	500,100
	<u>500,100</u>	<u>500,100</u>	<u>500,100</u>	<u>500,100</u>

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:

	2021 £	2020 £
Within one year	212,417	217,000
Between two and five years	554,667	675,083
In over five years	145,667	237,667
	<u>912,751</u>	<u>1,129,750</u>
	<u>912,751</u>	<u>1,129,750</u>

B & W PLANT HIRE AND SALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 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.

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	
		2021	2020	2021	2020
		£	£	£	£
Entities with control, joint control or significant influence over the company					
	Interest paid	-	-	17,200	16,100
Other related parties	Rent paid	-	-	211,820	210,133
Other related parties	Sales and purchases	2,144,286	3,557,657	1,669	1,604
		<u>2,144,286</u>	<u>3,557,657</u>	<u>1,669</u>	<u>1,604</u>

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	
	2021	2020	2021	2020
	£	£	£	£
Entities with control, joint control or significant influence over the company	-	-	-	215,000
Other related parties	669,370	638,795	1,669	1,052
	<u>669,370</u>	<u>638,795</u>	<u>1,669</u>	<u>1,052</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.