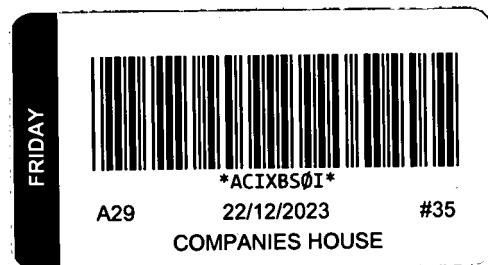


Company registration number 05436932 (England and Wales)

LGH HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



LGH HOLDINGS LIMITED

COMPANY INFORMATION

Directors	I Parkinson A Mault
Company number	05436932
Registered office	C/o Rotrex Group Wimsey Way Alfreton Trading Estate Alfreton DE55 4LS
Auditor	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT
Bankers	National Westminster Bank PLC 1 Spinningfields Square Manchester M3 3AP

LGH HOLDINGS LIMITED

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LGH HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Review of the business

The Group's principal activity is the hire, sales, service, and support of winch equipment worldwide alongside high-level cradle and fall protection services, throughout the UK with trading subsidiaries in the UK, Belgium, and the Netherlands. Our mission is to support our customers across the globe with the safest and most reliable winching equipment through continuous investment in our people, our equipment, and our IT systems.

In operation for over 50 years, we have decades of experience in our sector. The Group offers a full range of equipment, alongside solutions, with capacities from 20 kg up to 200 tonnes. We have dedicated winch and winch ancillary centres across the UK, from London to Glasgow. Our Western European locations are strategically placed to best support our customers across the continent from Ridderkerk, the Netherlands and Antwerp, Belgium.

The Group is ISO9001 certified, an internationally recognised standard, to improve our integrated quality management system and increase efficiencies whilst enhancing the customer experience. In the past year, we have continued to standardise and improve our internal management by harmonising the management team into one central team across Europe.

Significant investments in our hire fleet further support our customers' needs with new and innovative equipment from the leading manufacturers, with near to £200k total capital investment in the year ended 31 March 2023. Our capability to support and advise on specialist projects continues to drive our investments alongside ensuring the availability of our items across our network of centres. Our main investments in the year have been in our smaller range of winches, increasing our availability and lead times to our customers.

The Group is a proud member of the Lifting Equipment Engineers Association with our team of engineers and technicians fully qualified. A coherent in-house technical training programme further supplements their knowledge. The Group's commitment to individual training ensures that all equipment is maintained, tested and certified to the highest and most up-to-date standards, reinforcing the Group as a trusted, professional and reliable supplier.

Several improvements have been implemented to reduce our carbon footprint such as a portal for equipment manuals which replaces printed versions. This portal significantly reduces our environmental impact, is more cost efficient and provides an improved service to our customers through ease of access.

The biggest contribution to the Group's performance comes from employees. The knowledge and experience people bring are crucial to delivering against customer service metrics and achieving growth plans. Staff retention has been a challenge within the industry however Rotrex have remained strong in this area with stabilisation and improvements to retention. Enhancements to employee engagement include the launch of the internal awards scheme where employees are rewarded through demonstrating their commitment to the company values which are embedded at every level of the company (Honour, Innovation, Respect and Excellence). The awards scheme has been well received across the Group with improved employee satisfaction.

Following the growth last year, this year has been different across Europe. Our total revenue has slightly decreased by 3.5% to £5.7m. However, our hire revenue, which is our main revenue, has increased. This turnover has been driven by our wide range of customers across the globe. Significant projects have been supplied, with, amongst others, significant revenue from our biggest trailer winches across the whole world. The stabilisation this year, has given us better cost control and improved our efficiencies. This has led to a significant increase in our operating margin and our EBITDA (+257%). The directors believe the Group's key performance indicators are turnover, gross and operating margin and EBITDA. These figures for the period ended 31 March 2023 and the year ended 31 March 2022 are set out below:

	Year ended 31.03.23	Year ended 31.03.22
Turnover	£5,658,783	£5,867,675
Gross Margin	£3,093,233	£3,163,256
Operating Margin	£259,644	£(301,394)
EBITDA	£721,802	£281,017

LGH HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Future Developments

Within a competitive market, Rotrex is confident that we are positioned to deliver significant revenue growth and service to our customers. Despite the delay on major projects, labour scarcity and supply chain constraints across the sector, the directors are confident that the set projections for the current year are achievable, with significant growth in our main markets. With the expansion of our network across Europe and the range of equipment offering they will continue to identify new opportunities for future growth of the business.

The group is delighted to announce the promotion of Don Wilkinson as Sales Director for Rotrex Europe. Don has shown invaluable knowledge of our equipment, customers and market. He will be responsible for our revenues across Europe, driving Rotrex's expansion across Europe.

Further, the group announced that Phil Smith has been promoted to Operations Director, replacing Rob Halliwell. In this pivotal role, Phil will oversee multiple crucial departments, ensuring the efficient and effective functioning of these.

Rob Halliwell has moved into the role of Support Services Director. In this capacity, he will be responsible for our support services, which ensure efficient support of our core business and strategic projects vital to our organisation's growth.

To provide our customers with top-of-the-range equipment, the company has committed to another significant investment in our hire fleet, investing in our range of cable drum trailers, trailer winches and cable pushers.

As industry leaders, we are committed to being the most experienced and knowledgeable winch and solutions provider. To remain at the forefront, we have rolled out an enhanced training programme to all employees with the most up-to-date information with improved analytics and reporting.

Rotrex will continue to deliver against a social and environmental strategy through efficient and sustainable operations and supply chain, supporting our communities and colleagues, and maximising the value we offer to our customers. We continue to make advancements in our sustainability including the purchase or refurbishment of zero or low-emission equipment, improvements to facilities and other key changes.

As we look ahead towards future growth in 2024 and beyond, the strategy is to continue to focus on the Group's three pillars; delivering exceptional customer service, driving efficiency and sustainability improvements and increasing our competitiveness. These pillars position the Group to provide a personal and customer-focused approach to uniquely meet customer challenges.

Principal risks & uncertainties

The principal risks and uncertainties for the Group are the activity levels in the Group's main markets and the level of future contributions to be made to the pension scheme. Independence of the markets mitigates the risks from significantly reduced activity levels in the Group's main markets. Their activity is monitored monthly.

Levels of contribution to the pension scheme are set every three years by agreement between the Group and the trustees following the completion of an actuarial valuation. The Pensions Regulator reviews the contributions. The actuary provides annually updated valuations to monitor the scheme's funding.

Insurance policies are maintained to cover significant risks for injury, damage, and loss.

The presented financial statements include the results of the established subsidiaries Rotrex BV, located in the Netherlands and Rotrex BV, located in Belgium. The Group consider this structure an advantage against any potential effects of Brexit.

LGH HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Financial instruments

The Group's operations expose it to various financial risks that include interest rate risk and credit risk. The risks of the Group are managed internally by holding regular senior management meeting and board meetings.

The Group has been able to convert the original bank borrowings at a variable rate into a long-term loan at a fixed interest rate from a company under common control. Further, most of the hire purchase and finance lease borrowing are at fixed rates. The Group does not use financial instruments to manage interest rate costs.

Most credit risk the Group faces do relate primarily to the trade receivables. The Group has firm policies in place that credit checks are made on customers before sales are made, and credit limits are applied subsequently. Credit limits are assessed on a regular basis and amended when needed. The amount of exposure to all customers is kept under constant review.

The Group has no exposure to equity securities price risk and minimal exposure to commodity price risk and currency risk.

On behalf of the board

A Mault

A Mault
Director

20 December 2023

LGH HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the Company continued to be that of a holding company.

The principal activity of the Group continued to be that of hire, sale, repair and service of winching equipment.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a dividend.

Directors

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

I Parkinson

A Mault

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Post reporting date events

There have been no significant events affecting the Group since the year end.

Auditor

In accordance with the company's articles, a resolution proposing that UHY Hacker Young Manchester LLP be reappointed as auditor of the group will be put at a General Meeting.

Statement of directors' responsibilities

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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LGH HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 auditor of the company 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 auditor of the company is aware of that information.

Going Concern

The directors have made appropriate enquires and formed a judgement when approving the financial information that the Company and Group has adequate resources to support its operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial information.

At 31 March 2023 the Group is in a net liabilities position of £1,535,946 (2022 - £3,574,346). This includes the pension liability of £3,690,000 (2022 - £6,393,000) which is a long term liability. Excluding the pension liability, the Group are in a net assets position of £2,154,054 (2022 - £2,818,654).

During the current financial year, and post year-end, the directors have continued to manage the Company and Group through the unprecedented disruption arising from inflation and increasing interest rates.

The directors have reviewed the budget information and cash flow forecast for the period to December 2024. Having regard to the potential impact of the reasonably foreseeable events and circumstances, the directors have formed an expectation that the Group and the Company has adequate resources to continue in operation, meet liabilities as they fall due and operate within available cash resources of the period of assessment.

Therefore, the financial statements have been prepared on a going concern basis. The key matters considered in forming this assessment are the actual trading levels during the period and post year end, in addition to the nature of security provided to the Group by the companies under common control.

On behalf of the board

A Mault

A Mault
Director

20 December 2023

LGH HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LGH HOLDINGS LIMITED

Opinion

We have audited the financial statements of LGH Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group 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 group's and the parent company's affairs as at 31 March 2023 and of the group's 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 group and parent 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 group's and parent 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.

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

LGH HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LGH HOLDINGS LIMITED

Matters on which we are required to report by exception

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

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 parent 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 parent 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.

Extent to which the audit was considered capable of detecting irregularities including fraud

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 extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Identifying and assessing potential risks related to irregularities

Based on our understanding and accumulated knowledge of the company and the sector in which it operates, we considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the company accounting policies, the financial reporting framework and the UK Companies Act 2006. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

LGH HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LGH HOLDINGS LIMITED

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates as well as inappropriate revenue cut-off.

Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Identifying and testing journal entries, in particular any journal entries posted with specific keywords, manual journals to revenue and cash and journals posted by specific users;
- Testing a sample of revenue recognised either side of the period end to ensure revenue has been recognised in the correct period;
- Challenging assumptions, accounting estimates and judgements made by the directors, particularly in relation to the classification of leases entered into as operating or finance leases, impairment of the group's tangible assets and investments and the useful economic lives of tangible assets;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

UHY Hacker Young

Ryan Wear BSc ACA (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young Manchester LLP

20 December 2023

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

LGH HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	5,658,783	5,867,675
Cost of sales		(2,565,550)	(2,704,419)
Gross profit		3,093,233	3,163,256
Administrative expenses		(2,836,575)	(3,467,583)
Other operating income		2,986	2,933
Operating profit/(loss)	4	259,644	(301,394)
Interest receivable and similar income		31	-
Interest payable and similar expenses	8	(213,093)	(173,598)
Profit/(loss) before taxation		46,582	(474,992)
Tax on profit/(loss)	9	(44,063)	22,354
Profit/(loss) for the financial year	23	2,519	(452,638)
Other comprehensive income			
Actuarial gain on defined benefit pension schemes		2,678,000	813,000
Currency translation loss arising in the year		(54,243)	(12,291)
Tax relating to other comprehensive income		(587,876)	238,117
Total comprehensive income for the year		2,038,400	586,188

Profit/(loss) for the financial year is all attributable to the owners of the parent company.
Total comprehensive income for the year is all attributable to the owners of the parent company.

LGH HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	10		1,071,899		1,382,007
Current assets					
Stocks	13	302,527		237,990	
Debtors	14	2,468,630		2,983,525	
Cash at bank and in hand		115,165		273,676	
		2,886,322		3,495,191	
Creditors: amounts falling due within one year	15	(1,087,445)		(1,270,288)	
Net current assets			1,798,877		2,224,903
Total assets less current liabilities			2,870,776		3,606,910
Creditors: amounts falling due after more than one year	16		(693,382)		(778,920)
Provisions for liabilities					
Provisions	19	23,340	(23,340)	9,336	(9,336)
Net assets excluding pension liability			2,154,054		2,818,654
Defined benefit pension liability	21		(3,690,000)		(6,393,000)
Net liabilities			(1,535,946)		(3,574,346)
Capital and reserves					
Called up share capital	22		100,000		100,000
Foreign exchange reserve	23		(93,830)		(39,587)
Merger reserve	23		1,000,000		1,000,000
Other reserves	23		139,976		139,976
Profit and loss reserves	23		(2,682,092)		(4,774,735)
Total equity			(1,535,946)		(3,574,346)

The financial statements were approved by the board of directors and authorised for issue on 20 December 2023 and are signed on its behalf by:

A Mault

A Mault
Director

Company registration number 05436932 (England and Wales)

LGH HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investments	11		100,000		100,000
			=====		=====
Capital and reserves					
Called up share capital	22		100,000		100,000
			=====		=====

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £Nil (2022 - £Nil profit).

The financial statements were approved by the board of directors and authorised for issue on 20 December 2023 and are signed on its behalf by:

A Mault

A Mault
Director

Company registration number 05436932 (England and Wales)

LGH HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY **FOR THE YEAR ENDED 31 MARCH 2023**

	Share capital	Merger reserve	Other reserve	Foreign exchange reserve	Profit and loss reserves	Total
	£	£	£	£	£	£
Balance at 1 April 2021	100,000	1,000,000	139,976	(27,296)	(5,373,214)	(4,160,534)
Year ended 31 March 2022:						
Loss for the year	-	-	-	-	(452,638)	(452,638)
Other comprehensive income:						
Actuarial gains on defined benefit plans	-	-	-	-	813,000	813,000
Currency translation differences	-	-	-	(12,291)	-	(12,291)
Tax relating to other comprehensive income	-	-	-	-	238,117	238,117
Total comprehensive income	-	-	-	(12,291)	598,479	586,188
Balance at 31 March 2022	100,000	1,000,000	139,976	(39,587)	(4,774,735)	(3,574,346)
Year ended 31 March 2023:						
Profit for the year	-	-	-	-	2,519	2,519
Other comprehensive income:						
Actuarial gains on defined benefit plans	-	-	-	-	2,678,000	2,678,000
Currency translation differences	-	-	-	(54,243)	-	(54,243)
Tax relating to other comprehensive income	-	-	-	-	(587,876)	(587,876)
Total comprehensive income	-	-	-	(54,243)	2,092,643	2,038,400
Balance at 31 March 2023	100,000	1,000,000	139,976	(93,830)	(2,682,092)	(1,535,946)

LGH HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Share capital £
Balance at 1 April 2021	100,000
Year ended 31 March 2022:	
Profit and total comprehensive income for the year	-
Balance at 31 March 2022	100,000
Year ended 31 March 2023:	
Profit and total comprehensive income	-
Balance at 31 March 2023	100,000

LGH HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	28		(402,232)		458,469
Interest paid			(43,093)		(23,598)
Net cash (outflow)/inflow from operating activities			(445,325)		434,871
Investing activities					
Purchase of tangible fixed assets		(176,896)		(240,077)	
Proceeds from disposal of tangible fixed assets		17,285		237,853	
Interest received		31		-	
Net cash used in investing activities			(159,580)		(2,224)
Financing activities					
Increase in borrowings		600,000		-	
Repayment of bank loans		(9,178)		(3,550)	
Payment of finance leases obligations		(90,185)		(90,387)	
Net cash generated from/(used in) financing activities			500,637		(93,937)
Net (decrease)/increase in cash and cash equivalents			(104,268)		338,710
Cash and cash equivalents at beginning of year			273,676		(65,034)
Effect of foreign exchange rates			(54,243)		-
Cash and cash equivalents at end of year			115,165		273,676

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

LGH Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is C/o Rotrex Group, Wimsey Way, Alfreton Trading Estate, Alfreton, DE55 4LS.

The group consists of LGH Holdings Limited and all of its subsidiaries.

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 under 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: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company LGH Holdings Limited together with all entities controlled by the parent company (its subsidiaries).

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date which control is obtained. They are deconsolidated from the date which control ceases.

All financial statements are made up to 31 March 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.4 Going concern

As outlined in the directors' report, at the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue is recognised on despatch of product for sale items and on reaching the minimum hire period for rental equipment.

1.6 Tangible fixed assets

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

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

Freehold land and buildings	1.5 - 2% straight line
Plant and equipment	12 - 24% straight line
Other fixed assets	15 - 33% straight line

Land is not depreciated.

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 recognised in the profit and loss account.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 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.

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.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset and 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 and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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 group 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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. 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. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

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

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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 group'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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.15 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.

1.16 Retirement benefits

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the consolidated statement of comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Defined benefit pension plan

The group also operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a. the increase in net pension benefit liability arising from employee service during the period; and
- b. the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

1.17 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 leased asset are consumed.

1.18 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.

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.19 Foreign exchange

Functional and presentation currency

The Group's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

Useful lives of property, plant and equipment

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives. Useful lives are regularly reviewed and should management's assessment of useful lives shorten then depreciation charges in the financial statements would increase and carrying amounts of property, plant and equipment would reduce accordingly. The carrying amount of property, plant and equipment by each class is included in the Tangible Fixed Assets note.

Stock Provision

The stock provision is calculated using the directors' assessment of net realisable value of stock. When this is assessed as being below the cost value a provision is recognised. The directors take into account the age and condition of the stock along with the current market prices in calculating the stock provision. The value of the stock balances net of any provision are disclosed in the stock note.

Defined benefit pension assumptions

The costs, assets and liabilities of the defined benefit schemes operated by the Group are determined using methods relying on actuarial estimates and assumptions. Details of the key assumptions are detailed in the Retirement Benefit Schemes note. The Group takes advice from independent actuaries relating to the appropriateness of the assumptions. Changes in the assumptions used may have a significant effect on the Consolidated Statement of Comprehensive Income and the Statement of Financial Position.

3 Turnover and other revenue

	2023 £	2022 £
Turnover analysed by geographical market		
United Kingdom	4,680,093	4,345,374
Rest of Europe	786,685	1,280,140
Rest of the World	192,005	242,161
	<u>5,658,783</u>	<u>5,867,675</u>
	2023 £	2022 £
Other revenue		
Interest income	31	-
Grants received	2,986	2,933
	<u></u>	<u></u>

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

4 Operating profit/(loss)

	2023 £	2022 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(11,942)	11,012
Government grants	(2,986)	(2,933)
Depreciation of owned tangible fixed assets	385,454	473,697
Depreciation of tangible fixed assets held under finance leases	79,690	109,080
Loss/(profit) on disposal of tangible fixed assets	4,575	(2,038)
Operating lease charges	183,477	170,410
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor:		
For audit services		
Audit of the financial statements of the group and company	23,100	21,000
	<u> </u>	<u> </u>

6 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Selling and distribution	19	22	-	-
Operations	32	31	-	-
Directors	2	2	2	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	53	55	2	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	1,867,819	1,956,901	-	-
Social security costs	197,508	183,048	-	-
Pension costs	53,419	58,989	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2,118,746	2,198,938	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	7,500	7,500

8 Interest payable and similar expenses

	2023 £	2022 £
Interest on bank overdrafts and loans	23,689	2,778
Interest on finance leases and hire purchase contracts	19,404	20,820
Unwinding of discount on pension obligation	170,000	150,000
Total finance costs	213,093	173,598

9 Taxation

	2023 £	2022 £
Current tax		
Adjustments in respect of prior periods	-	(4,155)
Deferred tax		
Origination and reversal of timing differences	44,063	(18,199)
Total tax charge/(credit)	44,063	(22,354)

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

	2023 £	2022 £
Profit/(loss) before taxation	46,582	(474,992)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	8,851	(90,248)
Unutilised tax losses carried forward	(8,851)	90,248
Other non-reversing timing differences	44,063	(18,199)
Under/(over) provided in prior years	-	(4,155)
Taxation charge/(credit)	44,063	(22,354)

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Taxation

(Continued)

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2023 £	2022 £
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	587,876	(238,117)

10 Tangible fixed assets

Group	Freehold land and buildings £	Plant and equipment £	Other fixed assets £	Total £
Cost				
At 1 April 2022	606,058	6,860,717	1,374,779	8,841,554
Additions	2,080	170,143	4,673	176,896
Disposals	-	(302,909)	-	(302,909)
At 31 March 2023	608,138	6,727,951	1,379,452	8,715,541
Depreciation and impairment				
At 1 April 2022	170,396	5,965,600	1,323,551	7,459,547
Depreciation charged in the year	5,846	446,960	12,338	465,144
Eliminated in respect of disposals	-	(281,049)	-	(281,049)
At 31 March 2023	176,242	6,131,511	1,335,889	7,643,642
Carrying amount				
At 31 March 2023	431,896	596,440	43,563	1,071,899
At 31 March 2022	435,662	895,117	51,228	1,382,007

The company had no tangible fixed assets at 31 March 2023 or 31 March 2022.

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

	Group 2023 £	2022 £	Company 2023 £	2022 £
Plant and equipment	18,042	92,996	-	-
Other fixed assets	5,695	12,456	-	-
	23,737	105,452	-	-

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	12	-	-	100,000	100,000

Movements in fixed asset investments Company

	Shares in subsidiaries £
Cost or valuation	
At 1 April 2022 and 31 March 2023	100,000
Carrying amount	
At 31 March 2023	100,000
At 31 March 2022	100,000

12 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Rotrex Group Limited	Gryphon Works, Wimsey Way, Alfreton Trading Estate, Alfreton, DE55 4LS	Hire, sale, repair and service of winching equipment	Ordinary	100.00	-
Rotrex BV	Mandenmakerstraat 17b, 2984 AS Ridderkerk, Netherlands	Hire, sale, repair and service of winching equipment	Ordinary	-	100.00
Rotrex BVBA	Straatsburgdok Zuidkaai 6 Magazijn 2a Poort B 2030 Antwerp, Belgium	Hire, sale, repair and service of winching equipment	Ordinary	-	100.00

13 Stocks

	Group 2023 £	2022 £	Company 2023 £	2022 £
Finished goods and goods for resale	302,527	237,990	-	-

Impairment losses totalling £Nil (2022 - £Nil) were recognised in profit and loss in respect of slow moving, damaged and obsolete stock.

The difference between purchase price or production cost of stocks and their replacement cost is not material.

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Debtors

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,047,728	1,152,162	-	-
Other debtors	405,350	223,778	-	-
Prepayments and accrued income	164,508	124,602	-	-
	<u>1,617,586</u>	<u>1,500,542</u>	<u>-</u>	<u>-</u>
Deferred tax asset (note 20)	851,044	1,482,983	-	-
	<u>2,468,630</u>	<u>2,983,525</u>	<u>-</u>	<u>-</u>

Impairment losses totalling £104,091 (2022 - £74,400) were recognised in profit and loss in respect of bad and doubtful debts.

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

15 Creditors: amounts falling due within one year

	Notes	Group 2023	2022	Company 2023	2022
		£	£	£	£
Bank loans	17	10,648	10,648	-	-
Obligations under finance leases	18	95,322	109,147	-	-
Trade creditors		378,797	410,685	-	-
Other taxation and social security		188,096	196,994	-	-
Other creditors		268,771	297,022	-	-
Accruals and deferred income		145,811	245,792	-	-
		<u>1,087,445</u>	<u>1,270,288</u>	<u>-</u>	<u>-</u>

16 Creditors: amounts falling due after more than one year

	Notes	Group 2023	2022	Company 2023	2022
		£	£	£	£
Bank loans and overdrafts	17	26,624	35,802	-	-
Obligations under finance leases	18	66,758	143,118	-	-
Other borrowings	17	600,000	-	-	-
Other creditors		-	600,000	-	-
		<u>693,382</u>	<u>778,920</u>	<u>-</u>	<u>-</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	359,268	419,451	-	-
	<u>359,268</u>	<u>419,451</u>	<u>-</u>	<u>-</u>

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Loans and overdrafts

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	37,272	46,450	-	-
Other borrowings	600,000	-	-	-
	<u>637,272</u>	<u>46,450</u>	<u>-</u>	<u>-</u>
Payable within one year	10,648	10,648	-	-
Payable after one year	626,624	35,802	-	-
	<u>637,272</u>	<u>46,450</u>	<u>-</u>	<u>-</u>

The long-term loans are covid support loans. The bank loan incurs interest of 2.5% and is due to be repaid within 5 years with no early repayment charges.

The other borrowings comprise a related party loan provided by a company under common control. The loan incurs an interest rate of 2.9% and is to be repaid over 12 years.

18 Finance lease obligations

	Group 2023 £	2022 £	Company 2023 £	2022 £
Future minimum lease payments due under finance leases:				
Within one year	95,282	109,147	-	-
In two to five years	66,798	143,118	-	-
	<u>162,080</u>	<u>252,265</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group 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. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

19 Provisions for liabilities

	Group 2023 £	2022 £	Company 2023 £	2022 £
Dilapidation provision	23,340	9,336	-	-
	<u>23,340</u>	<u>9,336</u>	<u>-</u>	<u>-</u>

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Provisions for liabilities

(Continued)

Movements on provisions:

Group	Dilapidation provision £
At 1 April 2022	9,336
Additional provisions in the year	14,004
At 31 March 2023	23,340

Dilapidation provision

The dilapidation provision at the period end represents the Directors' best estimate of the anticipated costs to repair and maintain the Group and Company's leasehold premises in accordance with the terms of the lease. The timing and reversal of the provision is dependent on ongoing negotiations by the Directors.

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Assets 2023 £	Assets 2022 £
Accelerated capital allowances	(85,907)	(129,801)
Pension deficit	936,951	1,612,784
	851,044	1,482,983

The company has no deferred tax assets or liabilities.

Movements in the year:	Group 2023 £	Company 2023 £
Asset at 1 April 2022	(1,482,983)	-
Charge to profit or loss	44,063	-
Charge to other comprehensive income	587,876	-
Asset at 31 March 2023	(851,044)	-

The deferred tax asset set out relates to the defined benefit pension scheme liability and is offset by accelerated capital allowances.

On 1st April 2023 the corporation tax rate increased to 25% from the previously enacted 19%. The deferred tax balance has been calculated on the new rate as this is when timing differences are expected to reverse.

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

21 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	53,419	58,989

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension contributions totalling £14,510 (2022 - £12,208) were payable to the fund at the reporting date and are included in accruals and deferred income.

Defined benefit schemes

The Group also operates a defined benefit pension scheme with assets held in a separately administered fund. The scheme provides retirement benefits on the basis of members' pensionable salary. On 6 April 2005, the defined benefit pension scheme was closed to future accrual. Existing members are no longer eligible to make further contributions into the scheme and no further pension liabilities will accrue as a result of any future service. The Group will make additional contributions in order to remove, over a number of years, the funding deficit quantified by the actuary.

Key assumptions	2023	2022
	%	%
Discount rate	4.70	2.70
Expected rate of increase of pensions in payment	3.65	3.80
Inflation assumption (CPI)	3.15	3.34

Mortality assumptions	2023	2022
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	19.7	20.5
- Females	23	23.5
Retiring in 20 years		
- Males	20.6	21.5
- Females	24.1	24.7

The amounts included in the balance sheet arising from obligations in respect of defined benefit plans are as follows:

Group	2023	2022
	£	£
Present value of defined benefit obligations	16,596,000	21,647,000
Fair value of plan assets	(12,906,000)	(15,254,000)
Deficit in scheme	3,690,000	6,393,000

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

21 Retirement benefit schemes

(Continued)

Group	2023	2022
<i>Amounts recognised in the profit and loss account</i>	£	£

Net interest on net defined benefit liability/(asset)	170,000	150,000
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Group	2023	2022
<i>Amounts taken to other comprehensive income</i>	£	£

Actual return on scheme assets	2,154,000	(60,000)
Less: calculated interest element	-	-

Return on scheme assets excluding interest income	2,154,000	(60,000)
Actuarial changes related to obligations	(4,832,000)	(753,000)

Total costs/(income)	(2,678,000)	(813,000)
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	Group 2023 £
<i>Movements in the present value of defined benefit obligations</i>	

Liabilities at 1 April 2022	21,647,000
Benefits paid	(793,000)
Actuarial gains and losses	(4,832,000)
Interest cost	574,000

At 31 March 2023	16,596,000
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	Group 2023 £
<i>Movements in the fair value of plan assets</i>	

Fair value of assets at 1 April 2022	15,254,000
Return on plan assets (excluding amounts included in net interest)	(2,154,000)
Benefits paid	(793,000)
Contributions by the employer	195,000
Interest income	404,000

At 31 March 2023	12,906,000
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The actual return on plan assets was a loss of £2,154,000 (2022 - £60,000 gain).

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

21 Retirement benefit schemes

(Continued)

Fair value of plan assets at the reporting period end

	Group 2023 %	2022 %
Equity instruments	27	40
Bonds	30	24
Volatility Management	-	6
Insured Pensioner	13	13
Cash	17	17
	13	-
	<u>100</u>	<u>100</u>

22 Share capital

Group and company	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital				
Issued and fully paid				
Ordinary Shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

Ordinary shares have attached full voting rights.

23 Reserves

The group and company's capital and reserves are as follows:

Share capital

Called up share capital represents the nominal value of the shares issued.

Merger reserve

This has arisen as a result of previous business combinations that were accounted for as a merger in accordance with UK GAAP as applied at the time.

Foreign exchange reserve

Comprises differences arising from the translation of financial statements of the group's foreign operations into sterling.

Other reserves

Other reserves have arisen as a result of previous business combinations in accordance with UK GAAP as applied at that time.

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

24 Operating lease commitments

Lessee

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

	Group 2023 £	2022 £	Company 2023 £	2022 £
Within one year	86,454	178,894	-	-
Between two and five years	33,070	107,393	-	-
	<u>119,524</u>	<u>286,287</u>	<u>-</u>	<u>-</u>

25 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Acquisition of tangible fixed assets	209,827	-	-	-
	<u>209,827</u>	<u>-</u>	<u>-</u>	<u>-</u>

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

26 Related party transactions

The company has taken advantage of the exemption available in section 33.1A of FRS 102 not to disclose transactions with wholly owned members of the group.

At the year end the group was owed £11,076 (2022 - £73,351) from LGH Hijsmaterieel BV, a related company under common control. During the year, sales totalling £25,234 (2022 - £71,368) were made to LGH Hijsmaterieel BV. The group made purchases of £93,796 (2022 - £133,551) from LGH Hijsmaterieel BV.

At the year end the group was owed £28,905 (2022 - £74,170) from LGH GmbH, a related company under common control. During the year, sales totalling £6,987 (2022 - £10,082) were made to LGH GmbH. The group made purchases of £5,500 (2022 - £Nil) from LGH GmbH.

At the year end the group was owed £1,834 (2022 - £24,679) from LGH BVBA, a related company under common control. During the year, sales totalling £40,137 (2022 - £23,272) were made to LGH BVBA. The group made purchases of £17,366 (2022 - £2,206) from LGH BVBA.

At the year end the group was owed £109,349 (2022 - £22,238) from Lifting Gear Hire Limited, a company under common control. During the year, sales totalling £50,504 (2022 - £97,802) were made to Lifting Gear Hire Limited. The group made purchases of £97,810 (2022 - £105,266) from Lifting Gear Hire Limited.

At the year end the group owed £73,003 (2022 - £223,957) to LGH Central Limited, a company under common control. During the year, sales totalling £9,586 (2022 - £4,793) were made to LGH Central Limited. The group made purchases of £481,080 (2022 - £488,819) from LGH Central Limited.

At the year end the group owed £88,206 (2022 - £Nil) to LGH Europe Limited, a company under common control.

At the year end the group was owed £176,037 (2022 - £2,037) from Green Witch Investments Limited, a related party company under common control. During the year, sales totalling £250,000 (2022 - £Nil) were made to Green Witch Investments Limited. The group made purchases of £17,400 (2022 - £Nil) from Green Witch Investments Limited.

At the year end the group owed £600,000 (2022 - £600,000) to Green Witch Investments Limited, a related company under common control. This is a loan which was provided in 2022 which incurs an interest rate of 2.9% and is to be repaid over 12 years.

27 Controlling party

W B Parkinson is the controlling party by virtue of his controlling interest in LGH Holdings Limited.

LGH HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

28 Cash (absorbed by)/generated from group operations

	2023 £	2022 £
Profit/(loss) for the year after tax	2,519	(452,638)
Adjustments for:		
Taxation charged/(credited)	44,063	(22,354)
Finance costs	213,093	173,598
Investment income	(31)	-
Loss/(gain) on disposal of tangible fixed assets	4,575	(2,038)
Depreciation and impairment of tangible fixed assets	465,144	582,777
Pension scheme non-cash movement	(25,000)	(171,000)
Decrease in provisions	(155,996)	(5,664)
Movements in working capital:		
Increase in stocks	(64,537)	(149,688)
Increase in debtors	(117,044)	(64,563)
(Decrease)/increase in creditors	(769,018)	570,039
Cash (absorbed by)/generated from operations	(402,232)	458,469

29 Analysis of changes in net debt - group

	1 April 2022 £	Cash flows £	Exchange rate movements £	31 March 2023 £
Cash at bank and in hand	273,676	(104,268)	(54,243)	115,165
Borrowings excluding overdrafts	(46,450)	(590,822)	-	(637,272)
Obligations under finance leases	(252,265)	90,185	-	(162,080)
	<u>(25,039)</u>	<u>(604,905)</u>	<u>(54,243)</u>	<u>(684,187)</u>