

Registration number: 07067785

# Prolift Access Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2016



## **Prolift Access Limited**

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## **Prolift Access Limited**

### **Company Information**

#### **Directors**

Mr A Pearson

Mr A Martin

#### **Registered office**

Prolift House Westpark

Chelston

Wellington

Somerset

TA21 9AD

#### **Auditors**

Milsted Langdon LLP

Chartered Accountants and Statutory Auditors

Winchester House

Deane Gate Avenue

Taunton

Somerset

TA1 2UH

## **Prolift Access Limited**

### **Strategic Report for the Year Ended 31 December 2016**

The directors present their strategic report for the year ended 31 December 2016.

#### **Principal activity**

The principal activity of the company is the hire of powered access equipment.

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

The company has traded favourably throughout the year, reporting turnover and net profit for 2016 of £7,882,296 and £833,627 respectively.

During the year, we identified and secured new opportunities in areas of our market that we had not explored previously, confident that the size of fleet now enabled us scope and flexibility to support these additional revenue streams.

In addition, the continued personal and professional development of our staff, particularly those in management positions, remains important to the board. As a relatively small company, a well trained and motivated team is dear to the company ethos. Auto-enrolment applies as of January 2017, viewed as a positive prospect for our employees, enabling us to further assist in rewarding staff.

This is the first year the company has reported under FRS102.

In terms of KPIs, the company calculates and reports utilisation on a daily basis - this typically ranges from 60% in our quietest periods to 85% at times during the peak demand season July to November. After just seven years of trading since its inception, a pretax profit margin, excluding grants receivable, of 10% for the year is consistent with expectation, though as the company matures, this measure is anticipated to improve still further.


The company's key financial and other performance indicators during the year were as follows:

	Unit	2016	2015
Pretax profit margin excluding grants receivable	%	10	8

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

The company is not subject to risks other than normal business risks.

Approved by the Board on 21/03/17 and signed on its behalf by:

  
Mr A Pearson  
Director

## **Prolift Access Limited**

### **Directors' Report for the Year Ended 31 December 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

#### **Directors of the company**

The directors who held office during the year were as follows:

Mr A Pearson

Mr A Martin

#### **Financial instruments**

#### ***Objectives and policies***

The company's activities expose it to a number of financial risks including price risk, credit risk, liquidity risk, and cash flow risk. The directors are responsible for monitoring financial risk. Appropriate policies have been developed and implemented to identify, evaluate and manage the key risks.

#### ***Price risk, credit risk, liquidity risk and cash flow risk***

Price risk - the company is exposed to price risk as a result of its operations. Fluctuations in asset prices are low risk due to the nature of the items rehired. The company does not hold equities or securities.

Credit risk - the company has procedures to check new customers and monitors existing customers. Procedures are in place to regularly review credit levels given and minimise risk to an acceptable level.

Liquidity risk - The company maintains facilities that are designed to ensure the company has sufficient funds for operations and planned expenses.

Cash flow risk - The company's activities exposes it primarily to the financial risks of changes in interest rates however this exposure is minimal.

#### **Future developments**

Further growth opportunities are envisaged for 2017 and the board is similarly confident of the favourable impact these sources will deliver.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 21/03/17 and signed on its behalf by:



Mr A Pearson  
Director

## **Prolift Access Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Prolift Access Limited**

### **Independent Auditor's Report to the Members of Prolift Access Limited**

We have audited the financial statements of Prolift Access Limited for the year ended 31 December 2016, set out on pages 7 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Prolift Access Limited**

### **Independent Auditor's Report to the Members of Prolift Access Limited**

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

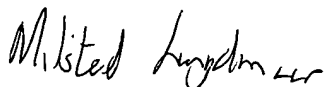
- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of our 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 Directors' Report.

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

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mr Nigel Fry (Senior Statutory Auditor)  
For and on behalf of Milsted Langdon LLP, Statutory Auditor

Winchester House  
Deane Gate Avenue  
Taunton  
Somerset  
TA1 2UH

22 March 2017



# **Prolift Access Limited**

## **Profit and Loss Account for the Year Ended 31 December 2016**

		<b>Total</b>	<b>(As restated)</b>
		<b>31 December</b>	<b>31 December</b>
	<b>Note</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
Turnover	3	7,882,296	6,524,330
Cost of sales		<u>(3,202,923)</u>	<u>(2,629,701)</u>
Gross profit		4,679,373	3,894,629
Distribution costs		(895,081)	(656,222)
Administrative expenses		(2,562,986)	(2,284,370)
Other operating income	4	<u>178,087</u>	<u>6,489</u>
Operating profit	6	<u>1,399,393</u>	<u>960,526</u>
Other interest receivable and similar income	8	110	239
Interest payable and similar expenses	9	<u>(459,575)</u>	<u>(406,235)</u>
		<u>(459,465)</u>	<u>(405,996)</u>
Profit before tax		939,928	554,530
Taxation	13	<u>(106,301)</u>	<u>(92,184)</u>
Profit for the financial year		<u>833,627</u>	<u>462,346</u>

The above results were derived from continuing operations.

**Prolift Access Limited**

**Statement of Comprehensive Income for the Year Ended 31 December 2016**

(As restated)		
	2016	2015
	£	£
Note		
Profit for the year	<u>833,627</u>	<u>462,346</u>
Total comprehensive income for the year	<u><u>833,627</u></u>	<u><u>462,346</u></u>

**Prolift Access Limited**  
**(Registration number: 07067785)**  
**Balance Sheet as at 31 December 2016**

		(As restated)	
	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	14	9,837,794	9,733,459
<b>Current assets</b>			
Stocks	15	94,754	77,521
Debtors	16	1,636,514	1,377,145
Cash at bank and in hand	17	563,800	206,618
		2,295,068	1,661,284
<b>Creditors: Amounts falling due within one year</b>	18	(3,779,378)	(3,386,168)
<b>Net current liabilities</b>		(1,484,310)	(1,724,884)
<b>Total assets less current liabilities</b>		8,353,484	8,008,575
<b>Creditors: Amounts falling due after more than one year</b>	18	(5,609,423)	(6,203,919)
<b>Provisions for liabilities</b>	19	(440,557)	(334,779)
<b>Net assets</b>		2,303,504	1,469,877
<b>Capital and reserves</b>			
Called up share capital	20	35,295	35,295
Share premium reserve		14,705	14,705
Profit and loss account		2,253,504	1,419,877
<b>Total equity</b>		2,303,504	1,469,877

Approved and authorised by the Board on 21/03/17 and signed on its behalf by:



Mr A Pearson  
Director

**Prolift Access Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2016**

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 January 2016	35,295	14,705	1,419,877	1,469,877
Profit for the year	-	-	833,627	833,627
Total comprehensive income	-	-	833,627	833,627
At 31 December 2016	35,295	14,705	2,253,504	2,303,504
	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 January 2015	35,295	14,705	957,531	1,007,531
Profit for the year	-	-	462,346	462,346
Total comprehensive income	-	-	462,346	462,346
At 31 December 2015	35,295	14,705	1,419,877	1,469,877

The notes on pages 12 to 26 form an integral part of these financial statements.

# Prolift Access Limited

## Statement of Cash Flows for the Year Ended 31 December 2016

		(As restated)	
	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Profit for the year		833,627	462,346
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	1,182,565	1,048,075
Profit on disposal of tangible assets	5	(39,050)	(16,186)
Government grant income		(170,849)	(4,489)
Finance income	8	(110)	(239)
Finance costs	9	459,575	406,235
Income tax expense	13	106,301	92,184
		<u>2,372,059</u>	<u>1,987,926</u>
Working capital adjustments			
Increase in stocks	15	(17,233)	(12,353)
(Increase)/decrease in trade debtors	16	(259,369)	350,938
Increase in trade creditors	18	90,506	24,352
Net cash flow from operating activities		<u>2,185,963</u>	<u>2,350,863</u>
<b>Cash flows from investing activities</b>			
Interest received	8	110	239
Acquisitions of tangible assets		(1,690,690)	(4,151,727)
Proceeds from sale of tangible assets		<u>442,840</u>	<u>107,108</u>
Net cash flows from investing activities		<u>(1,247,740)</u>	<u>(4,044,380)</u>
<b>Cash flows from financing activities</b>			
Interest paid and similar charges	9	(459,575)	(406,235)
Proceeds from bank borrowing draw downs		150,045	250,919
Repayment of bank borrowing		(57,146)	(23,190)
Repayment of other borrowing		(62,931)	(60,513)
Receipts from finance lease debtors		1,979,927	3,509,650
Payments to finance lease creditors		<u>(2,131,361)</u>	<u>(1,591,757)</u>
Net cash flows from financing activities		<u>(581,041)</u>	<u>1,678,874</u>
Net increase/(decrease) in cash and cash equivalents		357,182	(14,643)
Cash and cash equivalents at 1 January		<u>206,618</u>	<u>221,261</u>
Cash and cash equivalents at 31 December		<u><u>563,800</u></u>	<u><u>206,618</u></u>

The notes on pages 12 to 26 form an integral part of these financial statements.

## **Prolift Access Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **1 General information**

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Prolift House Westpark

Chelston

Wellington

Somerset

TA21 9AD

These financial statements were authorised for issue by the Board on 21 March 2017.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Statement of compliance**

These financial statements are the first financial statements prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The date of transition to FRS 102 was 1 January 2015.

Note 26 to the financial statements describes the effects of transition.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

##### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

## **Prolift Access Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **Government grants**

The directors have reassessed the government grants accounting policy on transition to FRS 102 and have now adopted the performance model as detailed below. Previously government grants towards capital expenditure were credited to deferred income and released to the profit and loss account over the expected useful life of the assets.

#### **New policy:**

Government grants are recognised in income when the grant proceeds are received (or receivable) provided that the terms of the grant do not impose future performance-related conditions. If the terms of a grant do impose performance-related conditions on the recipient, the grant is only recognised in income when the performance-related conditions are met. Any grants that are received before the revenue recognition criteria are met are recognised in the entity's financial statements as a liability.

Performance-related conditions are defined as a condition that requires the performance of a particular level of service or units of output to be delivered, with payment of, or entitlement to, the resources conditional on that performance.

The effect of change to the financial statements due to this change in accounting policy is £nil.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs, including finance costs, incurred in their acquisition and installation.

## **Prolift Access Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets less any estimated residual value, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold land	Nil
Freehold buildings	2% - 10% straight line
Leasehold improvements	10% straight line
Plant and machinery	15% - 25% reducing balance
Fixtures and office equipment	20% - 33% straight line and 10% - 20% reducing balance
Motor vehicles	25% reducing balance

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.



## **Prolift Access Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Financial instruments**

##### ***Classification***

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments.

##### ***Recognition and measurement***

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

##### ***Impairment***

Financial instruments are assessed for impairment at the end of each reporting period.

## Prolift Access Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### 3 Revenue

The company's turnover has arisen from continuing operations within the UK. An analysis of the company's turnover for the year by class of business is as follows:

	2016 £	2015 £
Hire of equipment	7,003,357	5,845,488
Provision of training	301,462	222,794
Other sales	577,477	456,048
	<u>7,882,296</u>	<u>6,524,330</u>

#### 4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2016 £	2015 £
Government grants	175,087	4,489
Miscellaneous other operating income	3,000	2,000
	<u>178,087</u>	<u>6,489</u>

#### 5 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2016 £	2015 £
Gain on disposal of property, plant and equipment	<u>39,050</u>	<u>16,186</u>

#### 6 Operating profit

Arrived at after charging/(crediting)

(As restated)

	2016 £	2015 £
Depreciation expense	1,182,565	1,048,075
Operating lease expense - property	160,668	157,293
Operating lease expense - plant and machinery	579,823	500,685
Profit on disposal of property, plant and equipment	<u>(39,050)</u>	<u>(16,186)</u>

#### 7 Government grants

Government grants receivable represent amounts received in respect of Regional Growth Funds.

The amount of grants recognised in the financial statements is £175,087 (2015 - £4,489).

# **Prolift Access Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2016**

### **8 Other interest receivable and similar income**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Interest income on bank deposits	<u>110</u>	<u>239</u>

### **9 Interest payable and similar expenses**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Interest on bank overdrafts and borrowings	15,178	11,454
Interest on obligations under finance leases and hire purchase contracts	393,070	358,650
Interest expense on other finance liabilities	51,277	36,131
Foreign exchange losses	<u>50</u>	<u>-</u>
	<u>459,575</u>	<u>406,235</u>

### **10 Staff costs**

The aggregate payroll costs (including directors' remuneration) were as follows:

(As restated)

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,879,762	1,599,771
Social security costs	<u>182,252</u>	<u>158,336</u>
	<u>2,062,014</u>	<u>1,758,107</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
Administration and support	52	47
Distribution	<u>15</u>	<u>13</u>
	<u>67</u>	<u>60</u>

### **11 Directors' remuneration**

The directors' remuneration for the year was as follows:

(As restated)

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Remuneration	<u>121,420</u>	<u>123,740</u>

# **Prolift Access Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2016**

### **12 Auditors' remuneration**

	2016 £	2015 £
Audit of the financial statements	<u>6,000</u>	<u>-</u>
<b>Other fees to auditors</b>		
Taxation compliance services	1,675	-
All other assurance services	<u>6,331</u>	<u>-</u>
	<u>8,006</u>	<u>-</u>

### **13 Taxation**

Tax charged/(credited) in the income statement

	2016 £	2015 £
<b>Current taxation</b>		
UK corporation tax	523	-
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>105,778</u>	<u>92,184</u>
Tax expense in the income statement	<u>106,301</u>	<u>92,184</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2015 - lower than the standard rate of corporation tax in the UK) of 20% (2015 - 20%).

The differences are reconciled below:

	2016 £	2015 £
Profit before tax	<u>939,928</u>	<u>554,530</u>
Corporation tax at standard rate	187,986	110,906
Decrease from effect of different UK tax rates on some earnings	(35,800)	-
Effect of expense not deductible in determining taxable profit	(26,110)	4,729
Deferred tax credit relating to changes in tax rates or laws	(24,208)	(5,782)
Deferred tax expense/(credit) from unrecognised temporary difference from a prior period	5,322	(12,347)
Other tax effects for reconciliation between accounting profit and tax expense	<u>(889)</u>	<u>(5,322)</u>
Total tax charge	<u>106,301</u>	<u>92,184</u>

(As restated)

# Prolift Access Limited

## Notes to the Financial Statements for the Year Ended 31 December 2016

### Deferred tax

#### Deferred tax assets and liabilities

	Asset £	Liability £
<b>2016</b>		
Accelerated capital allowances	-	506,750
Tax losses available	66,193	-
	<u>66,193</u>	<u>506,750</u>

### 2015

	Asset £	Liability £
Accelerated capital allowances	-	490,819
Tax losses available	156,040	-
	<u>156,040</u>	<u>490,819</u>

### 14 Tangible assets

	Land and buildings £	Fixtures and office equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2016	1,340,396	173,567	142,431	10,488,644	12,145,038
Additions	25,990	37,477	52,080	1,575,143	1,690,690
Disposals	(7,096)	-	(27,298)	(612,153)	(646,547)
At 31 December 2016	<u>1,359,290</u>	<u>211,044</u>	<u>167,213</u>	<u>11,451,634</u>	<u>13,189,181</u>
<b>Depreciation</b>					
At 1 January 2016	31,045	74,170	42,039	2,264,325	2,411,579
Charge for the year	45,079	22,964	24,507	1,090,015	1,182,565
Eliminated on disposal	(7,096)	-	(13,524)	(222,137)	(242,757)
At 31 December 2016	<u>69,028</u>	<u>97,134</u>	<u>53,022</u>	<u>3,132,203</u>	<u>3,351,387</u>
<b>Carrying amount</b>					
At 31 December 2016	<u>1,290,262</u>	<u>113,910</u>	<u>114,191</u>	<u>8,319,431</u>	<u>9,837,794</u>
At 31 December 2015	<u>1,309,351</u>	<u>99,397</u>	<u>100,392</u>	<u>8,224,319</u>	<u>9,733,459</u>

Included within the net book value of land and buildings above is £1,218,473 (2015 - £1,256,748) in respect of freehold land and buildings and £71,789 (2015 - £52,603) in respect of short leasehold land and buildings.

## Prolift Access Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2016	2015
	£	£
Land and buildings	64,295	76,746
Fixtures and office equipment	35,501	30,039
Motor vehicles	111,455	98,214
Other property, plant and equipment	<u>7,532,260</u>	<u>7,655,453</u>
	<u>7,743,511</u>	<u>7,860,452</u>

#### Restriction on title and pledged as security

Land and buildings with a carrying amount of £1,218,472 (2015 - £1,261,079) has been pledged as security for the mortgage.

Fixtures and office equipment with a carrying amount of £35,501 (2015 - £30,039) has been pledged as security for hire purchase and finance lease contracts.

Motor vehicles with a carrying amount of £111,455 (2015 - £98,214) has been pledged as security for hire purchase and finance lease contracts.

Other property, plant and equipment with a carrying amount of £7,532,260 (2015 - £7,655,453) has been pledged as security for hire purchase and finance lease contracts.

#### Capitalised borrowing costs

Within Land and buildings are capitalised borrowing costs of £32,925 (2015 - £32,925). The capitalisation rate of finance costs capitalised was 3%.

#### 15 Stocks

	2016	2015
	£	£
Other inventories	<u>94,754</u>	<u>77,521</u>

The cost of stocks recognised as an expense in the year amounted to £380,637 (2015 - £293,669).

#### 16 Debtors

	2016	2015
	£	£
Trade debtors	1,574,227	1,323,212
Other debtors	2,180	6,700
Prepayments	<u>60,107</u>	<u>47,233</u>
Total current trade and other debtors	<u>1,636,514</u>	<u>1,377,145</u>

The carrying amount of trade debtors pledged as security for liabilities amounted to £1,561,979 (2015 - £1,323,212).

Trade debtors have been pledged as security for bank loans.

# **Prolift Access Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2016**

### **17 Cash and cash equivalents**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Cash on hand	1,063	800
Cash at bank	562,737	205,818
	<u>563,800</u>	<u>206,618</u>

### **18 Creditors**

	<b>Note</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
<b>Due within one year</b>			
Loans and borrowings	21	2,702,677	2,487,639
Trade creditors		628,002	543,012
Social security and other taxes		275,817	211,181
Other payables		56,910	46,154
Accrued expenses		111,211	89,203
Income tax liability	13	523	-
Deferred income		4,238	8,979
		<u>3,779,378</u>	<u>3,386,168</u>
<b>Due after one year</b>			
Loans and borrowings	21	5,609,423	5,945,928
Deferred income		-	166,107
Other non-current financial liabilities		-	91,884
		<u>5,609,423</u>	<u>6,203,919</u>

### **19 Deferred tax and other provisions**

	<b>Deferred tax</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At 1 January 2016	334,779	334,779
Additional provisions	105,778	105,778
At 31 December 2016	<u>440,557</u>	<u>440,557</u>

# **Prolift Access Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2016**

### **20 Share capital**

#### **Allotted, called up and fully paid shares**

	<b>2016</b>		<b>2015</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<u>35,295</u>	<u>35,295</u>	<u>35,295</u>	<u>35,295</u>

#### **Rights, preferences and restrictions**

Ordinary shares have the following rights, preferences and restrictions:  
The ordinary shares have full voting and equity rights.

### **21 Loans and borrowings**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Non-current loans and borrowings</b>		
Bank borrowings	699,895	759,639
Finance lease liabilities	4,891,442	5,144,425
Other borrowings	<u>18,086</u>	<u>41,864</u>
	<u>5,609,423</u>	<u>5,945,928</u>

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Current loans and borrowings</b>		
Bank borrowings	660,697	508,055
Finance lease liabilities	2,018,202	1,916,653
Other borrowings	<u>23,778</u>	<u>62,931</u>
	<u>2,702,677</u>	<u>2,487,639</u>



## **Prolift Access Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **Bank borrowings**

The company has a fixed rate bank loan, invoice discounting facility and mortgage that are denominated in pounds with a nominal interest rate of 3.2% for the bank loan, 2.5% above base for the invoice discounting facility and 5.3% for the mortgage, and the final instalment is due on 20 May 2020 for the bank loan, 31 December 2017 for the invoice discounting facility and 19 November 2029 for the mortgage. The carrying amount at year end is £1,360,592 (2015 - £1,267,694).

£759,615 (2015 - £816,761) is secured, under the mortgage and bank loan, by a fixed charge over all the freehold property held by the company, an unlimited debenture from the company and further personal guarantees by the directors. In respect of the mortgage only, the 2016 financial results give rise to a breach of the associated covenant pertaining solely to EBITDA as a percentage of the total loan capital and interest repayments. Although the covenant has been breached, the bank have confirmed that they will be waiving the covenant for the financial results of 2016 and no action will be taken.

£600,977 (2015 - £450,932) is secured, under the invoice discounting facility, over the trade debtors of the company.

#### **Other borrowings**

The company has obligations under hire purchase and finance lease contracts with a carrying amount of £6,909,644 (2015 - £7,061,078) is denominated in pounds with a nominal average interest rate of 5.75%. The final instalment is due on 10 March 2022.

£6,909,644 (2015 - £7,061,078) is secured against the company's tangible fixed assets acquired under these arrangements.

The company has other loans with a carrying amount of £41,864 (2015 - £104,795) is denominated in pounds with a nominal average interest rate of 4.39%. The final instalment is due on 10 August 2019.

£41,864 (2015 - £104,795) is secured by personal guarantees given by the directors.

Included in the loans and borrowings are the following amounts due after more than five years:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
After more than five years by instalments	481,575	518,172

#### **Bank loans and overdrafts after five years**

The company has a mortgage with amounts totalling £471,432 (2015 - £518,172) due in over 5 years, the terms of which are detailed above in 'Bank Borrowings.'

#### **Other loans after five years**

The company has obligations under hire purchase and finance lease contracts with amounts totalling £10,143 (2015 - £nil) due in over 5 years, the terms of which are detailed above in 'Other Borrowings.'

## **Prolift Access Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **22 Obligations under leases and hire purchase contracts**

##### **Finance leases**

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	2,223,345	2,322,012
Later than one year and not later than five years	5,282,872	5,485,082
Later than five years	10,622	38,561
	<u>7,516,839</u>	<u>7,845,655</u>

##### **Operating leases**

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	714,760	617,824
Later than one year and not later than five years	1,260,252	1,323,186
	<u>1,975,012</u>	<u>1,941,010</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £740,491 (2015 - £657,978).

#### **23 Prior period adjustments**

A prior period adjustment has been included in these financial statements to reclassify profit and loss account expenditure between cost of sales, distribution and administrative expenses. These adjustments are purely presentational and have had no effect on profit. The comparatives in these financial statements have therefore been restated as follows:

Reduction in cost of sales amounting to £1,908,669.

Increase in distribution costs amounting to £375,733.

Increase in administrative expenses amounting to £1,532,936.

## **Prolift Access Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **24 Related party transactions**

##### **Key management personnel**

###### **Directors**

##### **Summary of transactions with key management**

Key management compensation has been disclosed in note 11 Directors' remuneration.

During the year the directors continued to provide loans to the company on which interest was accrued at 8% and repayable in under 1 year from the balance sheet date.

The directors have provided guarantees to the company to cover any potential shortfall in the value of a small number of assets against their hire purchase liabilities. The directors have personally guaranteed £77,391 (2015 - £148,507) in relation to the bank overdraft and the bank loan. The directors have also personally guaranteed, on a joint and severable basis, the other loan amounting to £41,863 (2015 - £104,795).

##### **Summary of transactions with other related parties**

###### **Shareholders**

During the year shareholders continued to provide loans to the company on which interest was accrued at 5% and repayable in under 1 year from the balance sheet date.

#### **Expenditure with and payables to related parties**

##### **2016**

Amounts payable to related party

**Key  
management  
£**  
599

##### **2015**

Amounts payable to related party

**Key  
management  
£**  
605

## Prolift Access Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### Loans from related parties

	Key management £	Other related parties £
<b>2016</b>		
At start of period	118,284	4,799
Advanced	144	-
Repaid	(67,335)	(4,759)
At end of period	<u>51,093</u>	<u>40</u>
	Key management £	Other related parties £
<b>2015</b>		
At start of period	89,184	4,503
Advanced	34,616	-
Repaid	(14,774)	-
Interest transactions	9,258	296
At end of period	<u>118,284</u>	<u>4,799</u>

#### 25 Parent and ultimate parent undertaking

The ultimate controlling party is the director A Pearson.

#### 26 Transition to FRS 102

The transition to FRS 102 has had no material effect on the company's reported financial position or performance.