

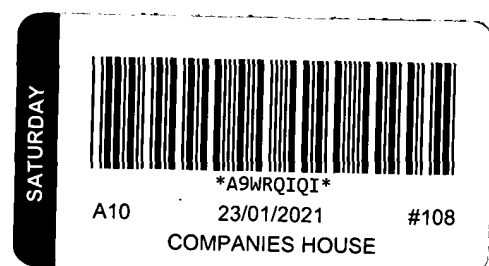
Welfare Hire Nationwide Limited

Annual Report and Financial Statements

Year Ended

30 September 2020

Company Number 07992228



Welfare Hire Nationwide Limited

Company Information

Directors	J B Wood S Moore D Cooper C Brown
Registered number	07992228
Registered office	Unit F Trident Park Rosie Road Normanton WF6 1ZB
Independent auditor	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL

Welfare Hire Nationwide Limited

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Welfare Hire Nationwide Limited

Strategic Report For the Year Ended 30 September 2020

The Directors present their Strategic Report together with the audited financial statements for the year ended 30 September 2020.

The Company acts as an operating company in the group headed by Skye Topco Limited.

Business review

Welfare Hire Nationwide Limited is a specialist rental business focussing on the supply of high quality, energy efficient mobile and welfare products, along with premium levels of customer service. The business has differentiated itself from the competition and gained considerable market share in its chosen markets.

Principal risks and uncertainties

The business mitigates exposure to cyclical markets by targeting longer term hire business in robust, stable infrastructure sectors, taking a longer-term strategic view on investment and capital expenditure plans. It maintains its fleet in excellent condition and carefully manages fleet age profiles, meanwhile focusing on new efficient technologies and products. Furthermore, as a niche provider focusing on a specialised product range, it is able to adapt swiftly to changes in market conditions and control potential trading risks and uncertainties.

The Directors recognise that a solid capital base, robust and healthy margins, returns on capital and cash generation are essential to our business. The Board takes a prudent, diligent and responsible approach to optimise these key areas.

To date the Company has not experienced any, nor is any material trading impact relating to the Covid-19 pandemic anticipated by the Board in the future.

To date the Company has not experienced any, nor is any material trading impact relating to Brexit anticipated by the Board in the future.

Competition

The business continues to invest in ensuring that it maintains a market leading fleet. It works closely with and supports its clients' operations through a partnership approach, focusing on well-known markets. The business is proactively promoted to ensure it remains ahead of the competition in product quality, service and commercial awareness. The Directors are fully in tune with market conditions pursuing growth and new opportunities, whilst remaining agile and being mindful of and adapting to any changing market conditions.

The strategy of investing in leading products, combined with astute commercial management and a focussed sales and marketing strategy allows the business to succeed over its competition. The business is not hindered by many of the constraints impacting other market incumbents, in particular, listed businesses operating in the sector.

Liquidity

The Directors take a prudent approach to debt and carefully manage cash flow and working capital requirements to ensure the business continues to gain financial strength and improve its liquidity position. There are stringent policies on trade debtor management and careful monitoring of exposure, protecting the business from potential bad debt.

Interest rate risk

The Board take a responsible view on debt financing and ensure that gearing, leverage and interest cover remains at prudent levels.

Welfare Hire Nationwide Limited

Strategic Report (continued) For the Year Ended 30 September 2020

Operational KPIs and Financial Reporting

The Board are issued with operational KPIs on a weekly basis, ensuring the Board is fully in tune with current trading conditions.

The Board is presented with a financial forecast prior to the commencement of the trading year. The content of the forecast is based upon a series of management assumptions and practical interpretations. Consolidated Management Accounts form part of a reporting pack produced at the end of each trading month. These are supported by Management Accounts for Welfare Hire Nationwide Limited and include Profit and Loss Account, Balance Sheet, Funds flow and a full breadth of documents including operational and financial KPIs.

A summary report is produced by the Company's CEO and FD and presented to the Board with each monthly information pack.

This report was approved by the board on

18/12/20

and signed on its behalf.


S Moore
Director

Welfare Hire Nationwide Limited

Directors' Report For the Year Ended 30 September 2020

The Directors present their report and the financial statements for the year ended 30 September 2020.

Principal activity

The principal activity of the Company is the hire of energy efficient mobile welfare facilities and lighting towers to infrastructure and associated markets.

Results and dividends

The profit for the year, after taxation, amounted to £3,725,806 (2019 - £3,209,832).

Interim dividends of £Nil (2019 - £Nil) were paid to ordinary shareholders in the year.

The Directors do not recommend the payment of a final dividend (2019 - £Nil).

Directors

The Directors who served during the year were:

J B Wood
S Moore
D Cooper
C Brown
W B Kellie (resigned 20 February 2020)

Going concern

Taking into account the robust financial metrics of the Company, the directors prudent approach to debt, and no material current or future expected negative impact from Covid-19 or Brexit, there are no going concern issues.

Future developments

The Directors continue to invest to ensure ongoing growth with a focus on WHN continuing the supply of high quality, energy efficient mobile welfare and lighting products, along with a strong focus on customer service.

Qualifying third party indemnity provisions

The Company has maintained throughout the year Directors' and officers' liability insurance for the benefit of the Company, the Directors and its officers. The Company has entered into qualifying third party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

Matters covered in the strategic report

Disclosures required under S416(4) of the Companies Act 2006 are commented upon in the Strategic Report in accordance with S414C(11) as the Directors consider them to be of strategic importance to the Company.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Directors have taken all the steps that ought to have been taken as Directors in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Welfare Hire Nationwide Limited

Directors' Report (continued) For the Year Ended 30 September 2020

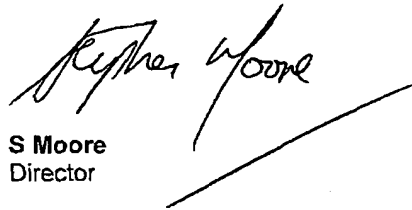
Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

18/12/20

and signed on its behalf.



S Moore
Director

Welfare Hire Nationwide Limited

Directors' Responsibilities Statement For the Year Ended 30 September 2020

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 to 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.

Welfare Hire Nationwide Limited

Independent Auditor's report to the members of Welfare Hire Nationwide Limited

Opinion

We have audited the financial statements of Welfare Hire National Limited (the 'Company') for the year ended 30 September 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Welfare Hire Nationwide Limited

Independent Auditor's report to the members of Welfare Hire Nationwide Limited (continued)

Other information

The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Welfare Hire Nationwide Limited

Independent Auditor's report to the members of Welfare Hire Nationwide Limited (continued)

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

BDO LLP

Mark Langford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Leeds
United Kingdom

21 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Welfare Hire Nationwide Limited

Statement of Comprehensive Income For the Year Ended 30 September 2020

	Note	2020 £	2019 £
Turnover	4	14,086,794	11,483,419
Cost of sales		(6,526,893)	(5,395,241)
Gross profit		7,559,901	6,088,178
Administrative expenses		(2,399,647)	(2,045,968)
Operating profit	5	5,160,254	4,042,210
Interest payable and similar charges	8	(650,435)	(565,695)
Profit before tax		4,509,819	3,476,515
Tax on profit	9	(784,013)	(266,683)
Profit for the financial year		3,725,806	3,209,832

There was no other comprehensive income for 2020 (2019 - £Nil).

The notes on pages 12 to 23 form part of these financial statements.

Welfare Hire Nationwide Limited
Registered number:07992228

Statement of Financial Position
As at 30 September 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	10		22,783,842		20,743,818
			<u>22,783,842</u>		<u>20,743,818</u>
Current assets					
Stocks	11	132,449		134,326	
Debtors: amounts falling due within one year	12	10,438,529		6,138,045	
Cash at bank and in hand		430,398		395,683	
		<u>11,001,376</u>		<u>6,668,054</u>	
Creditors: amounts falling due within one year	13	(5,772,560)		(4,049,793)	
Net current assets			<u>5,228,816</u>		<u>2,618,261</u>
Total assets less current liabilities			<u>28,012,658</u>		<u>23,362,079</u>
Creditors: amounts falling due after more than one year	14		13,947,546		13,385,168
Deferred taxation	15		1,538,101		1,175,706
Capital and reserves					
Called up share capital	16	95,000		95,000	
Profit and loss account	17	12,432,011		8,706,205	
Total equity			<u>12,527,011</u>		<u>8,801,205</u>
			<u>28,012,658</u>		<u>23,362,079</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18/12/20


S Moore
Director

The notes on pages 12 to 23 form part of these financial statements.

Welfare Hire Nationwide Limited

Statement of Changes in Equity For the Year Ended 30 September 2020

	Called up share capital £	Profit and loss account £	Total equity £
At 1 October 2019	95,000	8,706,205	8,801,205
Comprehensive income for the year			
Profit for the year	-	3,725,806	3,725,806
Total comprehensive income for the year	-	3,725,806	3,725,806
At 30 September 2020	95,000	12,432,011	12,527,011

Statement of Changes in Equity For the Year Ended 30 September 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 October 2018	95,000	5,496,373	5,591,373
Comprehensive income for the year			
Profit for the year	-	3,209,832	3,209,832
Total comprehensive income for the year	-	3,209,832	3,209,832
At 30 September 2019	95,000	8,706,205	8,801,205

The notes on pages 12 to 23 form part of these financial statements.

Welfare Hire Nationwide Limited

Notes to the Financial Statements For the Year Ended 30 September 2020

1. General information

Welfare Hire Nationwide Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activities are set out in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company's functional and presentational currency is GB Pounds. All amounts in these financial statements have been rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Kelling Group Limited as at 30 September 2020 and these financial statements may be obtained from Unit F, Trident Park, Rosie Road, Normanton, England, WF6 1ZB.

2.3 Going concern

Taking into account the robust financial metrics of the Company, the directors prudent approach to debt, and no material current or future expected negative impact from Covid-19 or Brexit, there are no going concern issues.

Welfare Hire Nationwide Limited

Notes to the Financial Statements For the Year Ended 30 September 2020

2. Accounting policies (continued)

2.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Hire income is recognised monthly in arrears. Recharges are recognised when the costs which are to be recharged have been incurred.

2.5 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the 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 Company in independently administered funds.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Welfare Hire Nationwide Limited

Notes to the Financial Statements For the Year Ended 30 September 2020

2. Accounting policies (continued)

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- 10 - 20% per annum
Plant and machinery	- 10 - 20% per annum
Motor vehicles	- 20 - 40% per annum
Computer equipment	- 20 - 33% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is 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.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Welfare Hire Nationwide Limited

Notes to the Financial Statements For the Year Ended 30 September 2020

2. Accounting policies (continued)

2.12 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Operating leases: lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The key judgements and sources of estimation uncertainty are the useful economic lives and residual values of tangible fixed assets, which have been calculated by the Directors based on their experience of the industry.

4. Analysis of turnover

The whole of the turnover is attributable to the principal activity of the Company and arises solely within the United Kingdom.

Welfare Hire Nationwide Limited

Notes to the Financial Statements For the Year Ended 30 September 2020

5. Operating profit

The operating profit is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	2,078,746	1,718,105
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	8,800	8,500
Defined contribution pension cost	60,569	39,695
(Profit)/loss on disposal of fixed assets	(32,145)	(18,429)
Other operating lease rentals	59,610	55,902
	<u>2,175,580</u>	<u>1,883,773</u>

6. Employees

	2020 £	2019 £
Wages and salaries	2,586,416	2,301,272
Social security costs	208,214	186,521
Cost of defined contribution scheme	60,569	39,695
	<u>2,855,199</u>	<u>2,527,488</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2020 No.	2019 No.
Employees	72	67
	<u>72</u>	<u>67</u>

7. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	91,310	188,898
	<u>91,310</u>	<u>188,898</u>

Welfare Hire Nationwide Limited

Notes to the Financial Statements For the Year Ended 30 September 2020

8. Interest payable and similar charges

	2020 £	2019 £
Other loan interest payable	88,057	55,530
Loans from group undertakings	562,378	510,165
	<u>650,435</u>	<u>565,695</u>

9. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	421,618	57,000
Adjustments in respect of prior periods	-	(74,717)
Total current tax	<u>421,618</u>	<u>(17,717)</u>
Deferred tax		
Origination and reversal of timing differences	220,545	217,575
Adjustments in respect of prior periods	3,160	66,825
Effects of change in tax rate	138,690	-
Total deferred tax	<u>362,395</u>	<u>284,400</u>
Tax on profit	<u>784,013</u>	<u>266,683</u>

Welfare Hire Nationwide Limited

Notes to the Financial Statements For the Year Ended 30 September 2020

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit before tax	<u>4,509,819</u>	<u>3,476,515</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	856,866	660,538
Effects of:		
Expenses not deductible for tax purposes	-	15
Fixed asset differences	665	3,278
Group relief claimed	(215,367)	(363,659)
Adjustments to tax charge in respect of prior periods	3,160	(7,892)
Adjust closing deferred tax to average rate	138,689	(138,318)
Adjust opening deferred tax rate to average rate	-	112,721
Total tax charge for the year	<u><u>784,013</u></u>	<u><u>266,683</u></u>

Factors that may affect future tax charges

Under legislation substantively enacted on 17 March 2020, the UK tax rate will remain to be 19% from 1 April 2020 onwards. As such, there will be no effect on future tax charges.

Welfare Hire Nationwide Limited

Notes to the Financial Statements For the Year Ended 30 September 2020

10. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 October 2019	67,309	24,395,896	881,707	110,560	25,455,472
Additions	-	3,862,199	385,856	31,668	4,279,723
Disposals	-	(159,855)	(191,987)	-	(351,842)
At 30 September 2020	67,309	28,098,240	1,075,576	142,228	29,383,353
Depreciation					
At 1 October 2019	34,939	4,379,155	230,091	67,469	4,711,654
Charge for the year	10,142	1,772,264	264,399	31,941	2,078,746
Disposals	-	(62,934)	(127,955)	-	(190,889)
At 30 September 2020	45,081	6,088,485	366,535	99,410	6,599,511
Net book value					
At 30 September 2020	22,228	22,009,755	709,041	42,818	22,783,842
At 30 September 2019	32,370	20,016,741	651,616	43,091	20,743,818

The net book value of assets held under finance leases or hire purchase contracts or secured by loan facilities, included above, are as follows:

	2020 £	2019 £
Plant and machinery	21,877,231	19,856,548
Motor vehicles	709,041	651,617
	<u>22,586,272</u>	<u>20,508,165</u>

Welfare Hire Nationwide Limited

Notes to the Financial Statements For the Year Ended 30 September 2020

11. Stocks

	2020 £	2019 £
Finished goods and goods for resale	<u>132,449</u>	<u>134,326</u>

The amount recognised in the Statement of Comprehensive Income for the year in respect of impairment of stock is £Nil (2019 - £Nil).

There is no material difference between the replacement cost of stock and those amounts presented above.

12. Debtors

	2020 £	2019 £
Trade debtors	3,666,247	3,017,789
Amounts owed by group undertakings	6,695,053	3,020,069
Other debtors	9,928	17,162
Prepayments and accrued income	67,301	62,255
Tax recoverable	-	20,770
	<u>10,438,529</u>	<u>6,138,045</u>

The amounts owed by group undertakings are unsecured, attract no interest and are repayable on demand.

13. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	1,800,568	1,166,915
Amounts owed to group undertakings	2,282,208	1,963,322
Corporation tax	421,618	-
Other taxation and social security	756,212	597,330
Accruals and deferred income	511,954	322,226
	<u>5,772,560</u>	<u>4,049,793</u>

The amounts owed to group undertakings are unsecured, attract no interest and are repayable on demand.

Welfare Hire Nationwide Limited

Notes to the Financial Statements For the Year Ended 30 September 2020

14. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Amounts owed to group undertakings	<u>13,947,546</u>	<u>13,385,168</u>

Interest repayable on intercompany loans is calculated at a rate equal to the blended average at which the lenders group of companies borrow senior debt from its senior lenders. Intercompany loans mature in January 2023.

15. Deferred taxation

	2020 £	2019 £
At beginning of year	1,175,706	891,306
Charged to profit or loss	362,395	284,400
At end of year	<u>1,538,101</u>	<u>1,175,706</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	1,541,002	1,178,315
Short term timing differences	(2,901)	(2,609)
	<u>1,538,101</u>	<u>1,175,706</u>

16. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
95,000 (2019 - 95,000) ordinary shares of £1.00 each	<u>95,000</u>	<u>95,000</u>

Welfare Hire Nationwide Limited

Notes to the Financial Statements For the Year Ended 30 September 2020

17. Reserves

The Company's capital and reserves are as follows:

Called up share capital

The called up share capital represents the nominal value of the shares issued.

Profit and loss account

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

18. Capital commitments

At 30 September 2020 the Company had capital commitments as follows:

	2020 £	2019 £
Contracted for but not provided in these financial statements	<u>251,200</u>	<u>985,662</u>

19. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £60,569 (2019 - £39,695). Contributions totalling £15,265 (2019 - £15,351) were payable to the fund at the reporting date and are included in creditors.

20. Commitments under operating leases

At 30 September 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	63,402	52,819
Later than 1 year and not later than 5 years	92,967	31,640
	<u>156,369</u>	<u>84,459</u>

21. Related party transactions

The Company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

Welfare Hire Nationwide Limited

Notes to the Financial Statements For the Year Ended 30 September 2020

22. Ultimate parent undertaking and controlling party

The Company's immediate parent company is Kelling Midco Limited, which is registered at Unit F, Trident Park, Rosie Road, Normanton, United Kingdom, WF6 1ZB. The Company's ultimate parent undertaking is Skye Topco Limited, which is registered at 44 Esplanade, St Helier, Jersey, JE4 9WG.

As at 30 September 2020, the largest and smallest group in which the results are consolidated is that headed by Kelling Group Limited. The consolidated accounts of the company are available to the public and may be obtained from the registered address of Kelling Group Limited at Unit F, Trident Park, Rosie Road, England, Normanton, WF6 1ZB.

The group is controlled by Alinda GP of GP III Ltd on the basis that it holds a controlling interest in the voting rights of the share capital in Skye Topco Limited. The largest group in which the results of the group will be consolidated is that headed by Kelling Group Limited.