

**MR. PLANT HIRE PLC**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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# MR. PLANT HIRE PLC

## COMPANY INFORMATION

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**Directors** Mr C Mahon  
Mr D Elsdon (resigned 21 December 2018)  
Mr M J Lawrence  
Mr S O'Flaherty  
Mr D O'Higgins (resigned 30 August 2018)

**Secretary** Ms S Shaw

**Company number** 01622195

**Registered office** Lynwood House  
373-375 Station Road  
Harrow  
Middlesex  
HA1 2AW

**Auditor** KPMG  
Chartered Accountants  
1 Stokes Place  
St. Stephens Green  
Dublin 2

**Business address** 120 Hertford Road  
Enfield  
Middlesex  
EN3 5AX

**Bankers** Royal Bank of Scotland Plc  
30/32 London Road  
Enfield  
EN2 6DT

**Solicitors** Thomas Higgins Limited  
Lloyds Chambers  
19/21 Seaview Road  
Wallasey  
CH45 4TH

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# MR. PLANT HIRE PLC

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# MR. PLANT HIRE PLC

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 AUGUST 2018

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*The directors present the strategic report for the year ended 31 August 2018.*

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

*The results for the year ended 31 August 2018 show a 12.31% increase in turnover and a 24.82% increase in profit before tax compared to the year ended 31 August 2017.*

*The results for the year and the financial position at the year-end were considered very satisfactory by the directors as it was an exceptional year in terms of turnover and profit before tax. The directors expect a lower level of business activity and that it will be challenging to maintain this level of profitability in the near future.*

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

*The principal risks and uncertainties facing Mr. Plant Hire Plc are credit risk and risks that relate to the level of activity in the construction industry. The board reviews and agrees policies for managing each of these risks and they are summarised below:*

##### **Credit risk**

*The company performs ongoing credit evaluations of its customers in order to reduce the amount of irrecoverable debt to a minimum.*

##### **Financial risk**

*These are continuously monitored by the directors to manage these risks in relation to the company's business needs.*

#### **Development and performance**

*The company is in a strong financial position at the balance sheet date. Its net asset position has improved by 26.64% over the previous year. The directors look to further improve on the financial position of the company, in order to increase growth and enhance reported results in future years.*

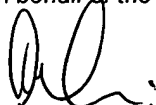
#### **Key performance indicators**

*The Key Performance Indicators of Mr. Plant Hire Plc over the last two years are detailed below:*

	2018	2017
Turnover (GBP £'000)	9,012	8,024
Gross profit %	58.20	58.86
Profit before taxation %	21.35	19.20

*The directors feel that the company will continue to be profitable but that it will be challenging to maintain this level of profitability in the near future.*

On behalf of the board



Mr C Mahon  
Director

5<sup>th</sup> February 2019

# **MR. PLANT HIRE PLC**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2018**

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The directors present their annual report and financial statements for the year ended 31 August 2018.

#### **Principal activities**

The principal activity of the company continued to be that of the hire of plant and machinery.

#### **Directors**

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

Mr C Mahon  
Mr D Elsdon (resigned 21 December 2018)  
Mr M J Lawrence  
Mr S O'Flaherty  
Mr D O'Higgins (resigned 30 August 2018)

#### **Results and dividends**

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

No interim ordinary dividend was paid (2017: £nil). The directors do not recommend payment of a final dividend.

#### **Supplier payment policy**

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

#### **Future developments**

The directors expect a lower level of activity due to uncertainties in the current economic climate.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### **Political and charitable donations**

The company made no political or charitable donations during the year.

#### **Post balance sheet events**

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

# **MR. PLANT HIRE PLC**

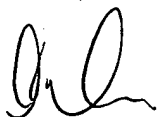
## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Auditor**

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG as auditor of the company is to be proposed at the forthcoming Annual General Meeting.



Mr C Mahon  
Director

5<sup>th</sup> February 2019

# MR. PLANT HIRE PLC

## DIRECTORS' RESPONSIBILITIES STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2018**

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

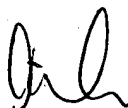
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2006.

On behalf of the board



Mr C Mahon  
Director

5<sup>th</sup>

February 2019



**KPMG**  
**Audit**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
D02 DE03  
Ireland

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR. PLANT HIRE PLC**

### **1 Report on the audit of the financial statements**

#### ***Opinion***

We have audited the financial statements of Mr Plant Hire plc. ('the Company') for the year ended 31 August 2018 set out on pages 8 to 26, which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2018 and of its result for the year then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly 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 ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

#### ***Other information***

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic and directors' report other than the financial statements and our auditor's report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.





## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR. PLANT HIRE PLC (*continued*)**

### **1 Report on the audit of the financial statements (*continued*)**

#### ***Other information (continued)***

Based solely on our work on the other information;

- we have not identified material misstatements in the directors report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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.

We have nothing to report in regard to these matters.

### **2 Respective responsibilities and restrictions on use**

#### ***Responsibilities of directors for the financial statements***

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

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

#### ***Auditor's responsibilities for the audit of the financial statements***

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR. PLANT HIRE PLC (*continued*)**

### **2 Respective responsibilities and restrictions on use (*continued*)**

#### ***The purpose of our audit work and to whom we owe our responsibilities***

Our 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.

**Niall Savage (Senior Statutory Auditor)**  
for and on behalf of  
**KPMG Statutory Auditor**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2

7<sup>th</sup> February 2019

# MR. PLANT HIRE PLC

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	2017 £
Turnover	3	9,011,541	8,023,748
Cost of sales		(3,766,359)	(3,300,679)
Gross profit		5,245,182	4,723,069
Distribution costs		(554,166)	(497,762)
Administrative expenses		(3,020,630)	(2,760,727)
Other Operating Income	4	250,449	76,156
Operating profit	5	1,920,835	1,540,736
Interest receivable and similar income	8	3,896	1,382
Interest payable and similar expenses	9	(1,071)	(1,045)
Profit before taxation		1,923,660	1,541,073
Taxation	10	(369,282)	(306,493)
Profit for the financial year		1,554,378	1,234,580

The profit and loss account has been prepared on the basis that all operations are continuing operations.

### Comparative Amount

Comparative amounts have been regrouped, where necessary, on the same basis as in the current period.

# **MR. PLANT HIRE PLC**

## **STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	<b>1,554,378</b>	<b>1,234,580</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b><u>1,554,378</u></b>	<b><u>1,234,580</u></b>

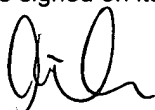
# MR. PLANT HIRE PLC

## BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	11	5,894,904	5,873,787
<b>Current assets</b>			
Stocks	12	11,436	14,795
Debtors	13	2,487,090	2,184,542
Cash at bank and in hand		504,712	867,736
		3,003,238	3,067,073
<b>Creditors: amounts falling due within one year</b>	14	(1,269,141)	(2,884,513)
<b>Net current assets</b>		1,734,097	182,560
<b>Total assets less current liabilities</b>		7,629,001	6,056,347
<b>Creditors: amounts falling due after more than one year</b>	15		(3,566)
<b>Provisions for liabilities</b>	17	(243,218)	(221,376)
<b>Net assets</b>		7,385,783	5,831,405
<b>Capital and reserves</b>			
Called up share capital	20	50,000	50,000
Profit and loss reserves		7,335,783	5,781,405
<b>Total equity</b>		7,385,783	5,831,405

The financial statements were approved by the board of directors and authorised for issue on December 2018 and are signed on its behalf by:



Mr C Mahon  
Director

Company Registration No. 01622195

# MR. PLANT HIRE PLC

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2018

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	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 September 2016	50,000	4,546,825	4,596,825
Year ended 31 August 2017:			
Profit and total comprehensive income for the year	-	1,234,580	1,234,580
Balance at 1 September 2017	50,000	5,781,405	5,831,405
Year ended 31 August 2018:			
Profit and total comprehensive income for the year	-	1,554,378	1,554,378
Balance at 31 August 2018	50,000	7,335,783	7,385,783

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# **MR. PLANT HIRE PLC**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **1 Accounting policies**

#### **Company information**

Mr. Plant Hire Plc is a company limited by shares incorporated in England and Wales. The registered office is Lynwood House, 373-375 Station Road, Harrow, Middlesex, HA1 2AW. The registered number of the company is 01622195.

#### **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.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

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

#### **1.3 Turnover**

Turnover comprises the invoiced value of sales excluding value added tax.

Revenue from rental contracts for the provision of plant and equipment and ancillary services is recognised by reference to the stage of completion of the contracts where both income earned and to be earned, and costs incurred and to be incurred can be estimated reliably.

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the customers and where the amount of revenue can be measured reliably.

#### **1.4 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.

# MR. PLANT HIRE PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance leases are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Improvements to property	10% and 5% straight line method
Leasehold property	Straight line over the lease term
Plant and machinery	20% reducing balance method and 3 years straight line method
Fixtures, fittings & equipment	20% reducing balance method
Motor vehicles	20% straight line method

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company 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.

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.



# MR. PLANT HIRE PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

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.

#### 1.6 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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.

#### 1.7 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.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The company has taken advantage of disclosure exemptions relating to financial instruments, under FRS 102.

#### **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.

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# MR. PLANT HIRE PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

##### ***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 company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### ***Basic financial liabilities***

Basic financial liabilities, including 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.

##### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# MR. PLANT HIRE PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

##### ***Derecognition of financial liabilities***

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

#### 1.9 Equity instruments

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

#### 1.10 Taxation

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

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

# **MR. PLANT HIRE PLC**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **1 Accounting policies**

##### **1.11 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.

##### **1.12 Retirement benefits**

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

##### **1.13 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 the profit and loss account 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 income 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 lease asset are consumed.

##### **1.14 Interest receivable and interest payable**

Interest receivable and similar income include interest receivable on funds invested.

Interest payable and similar charges include interest payable and are recognised in the profit and loss account.

Interest income and interest payable are recognised in profit or loss as they accrue using the effective interest rate method.

# MR. PLANT HIRE PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 1 Accounting policies

#### 1.15 Disclosure exemptions

The company's parent, AER Rents includes the company in its consolidated financial statements. The consolidated financial statements of AER Rents Limited are available to the public and may be obtained from Companies Registration Office, Lynwood House, 373-375 Station Road, Harrow, HA1 2AW, England. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the numbers of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of AER Rents Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Schedule 3, paragraph 39 of the Companies Act 2014.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In the opinion of the directors, there are no significant sources of estimation uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year.

### 3 Turnover and other revenue

The total turnover of the company for the period has been derived from its principal activity of plant hire wholly undertaken in the UK.

An analysis of the company's turnover is as follows:

	2018 £	2017 £
<b>Turnover</b>		
Hire of equipment	9,011,541	8,023,748

# MR. PLANT HIRE PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 4 Other Operating Income

	2018	2017
	£	£
Net gain on disposal of tangible fixed assets	250,449	76,156

### 5 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	20,000	19,000
Depreciation of owned tangible fixed assets	1,275,815	1,179,156
Depreciation of tangible fixed assets held under finance leases	52,021	105,341
Profit on disposal of tangible fixed assets	(250,449)	(76,156)
Cost of stocks recognised as an expense	2,613,574	2,162,292
Operating lease charges	100,486	101,618

### 6 Employees

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

	2018 Number	2017 Number
Office and management	11	11
Selling	54	52
	65	63

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	2,297,873	2,050,460
Pension costs	27,091	24,900
	2,324,964	2,075,360

### 7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	332,434	292,016

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2017 - 2).

# MR. PLANT HIRE PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 7 Directors' remuneration (continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	166,217	146,008

### 8 Interest receivable and similar income

	2018 £	2017 £
<b>Interest income</b>		
Interest on bank deposits	2,318	600
Other interest income	1,578	782
Total income	3,896	1,382

### 9 Interest payable and similar expenses

	2018 £	2017 £
Interest on finance leases and hire purchase contracts	1,071	1,045

### 10 Taxation

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	347,440	312,045
Adjustments in respect of prior periods	-	-
Total current tax	347,440	312,045
<b>Deferred tax</b>		
Origination and reversal of timing differences	24,412	(6,395)
Impact of change in tax rates	(2,570)	843
	21,842	(5,552)
Total tax charge	369,282	306,493

# MR. PLANT HIRE PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 10 Taxation (continued)

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

	2018 £	2017 £
Profit before taxation	<u>1,923,659</u>	<u>1,541,073</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.58 %)	365,495	301,754
Tax effect of expenses that are not deductible in determining taxable profit	6,357	4,270
Adjustments in respect of prior years	-	-
Effect of change in corporation tax rate	(2,570)	843
Group relief	-	(374)
Taxation charge for the year	<u>369,282</u>	<u>306,493</u>



# MR. PLANT HIRE PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 11 Tangible fixed assets

	Improvements to property	Leasehold property	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 September 2017	34,638	63,123	8,962,827	158,247	886,674	10,105,509
Additions	51,628	-	1,388,853	3,770	214,702	1,658,953
Disposals	(16,688)	-	(1,072,131)	(2,741)	(97,450)	(1,189,010)
At 31 August 2018	69,578	63,123	9,279,549	159,276	1,003,926	10,575,452
<b>Depreciation and impairment</b>						
At 1 September 2017	27,427	21,408	3,630,253	123,191	429,443	4,231,722
Depreciation charged in the year	4,676	2,677	1,152,787	7,262	160,434	1,327,836
Eliminated in respect of disposals	(16,688)	-	(762,131)	(2,741)	(97,449)	(879,010)
At 31 August 2018	15,415	24,085	4,020,909	127,712	492,427	4,680,548
<b>Carrying amount</b>						
At 31 August 2018	54,163	39,038	5,258,640	31,564	511,499	5,894,904
At 31 August 2017	7,211	41,715	5,332,574	35,056	457,231	5,873,787

# MR. PLANT HIRE PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 11 Tangible fixed assets

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

	2018 £	2017 £
Plant and machinery	121,758	330,884
Motor vehicles	-	4,350
	<u>121,758</u>	<u>335,234</u>
Depreciation charge for the year in respect of leased assets	<u>52,021</u>	<u>105,341</u>

### 12 Stocks

	2018 £	2017 £
Finished goods and goods for resale	<u>11,436</u>	<u>14,795</u>

### 13 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	2,021,455	1,909,861
Amounts due from group undertakings	364,050	179,972
Other debtors	2,560	1,050
Prepayments and accrued income	99,025	93,659
	<u>2,487,090</u>	<u>2,184,542</u>

Trade debtors are stated net of a provision for bad debts of £12,752 (2017: £50,420).

All intercompany loans are unsecured, non-interest bearing, and repayable on demand.

# MR. PLANT HIRE PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 14 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Obligations under finance leases	15	3,566	133,289
Trade creditors		604,575	1,130,865
Amounts due to parent undertaking		-	1,041,341
Corporation tax		151,372	144,861
Other taxation and social security		283,511	241,972
Other creditors		19,838	23,988
Accruals and deferred income		206,279	168,197
		<u>1,269,141</u>	<u>2,884,513</u>

#### 15 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Obligations under finance leases	15	-	3,566

The aggregate amount of creditors for which security has been given amounted to £3,566 (2017: £136,855).

The obligations under hire purchase contracts are secured by retention of title to the relevant plant and machinery.

#### 16 Finance lease obligations

	2018 £	2017 £
Future minimum lease payments due under finance leases:		
Within one year	3,566	111,897
In two to five years	-	24,958
	<u>3,566</u>	<u>136,855</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 6 months. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

#### 17 Provisions for liabilities

	Notes	2018 £	2017 £
Deferred tax liabilities	18	243,218	221,376
		<u>243,218</u>	<u>221,376</u>

# MR. PLANT HIRE PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £
<b>Balances:</b>		
Accelerated capital allowances	<u>243,218</u>	<u>221,376</u>
<b>Movements in the year:</b>		2018 £
Liability at 1 September 2017		221,376
Charge to profit or loss		<u>21,842</u>
Liability at 31 August 2018		<u>243,218</u>

### 19 Retirement benefit schemes

	2018 £	2017 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>27,091</u>	<u>24,900</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 20 Share capital

	2018 £	2017 £
<b>Ordinary share capital Issued and fully paid</b>		
37,750 Ordinary "A" Shares of £1 each	37,750	37,750
12,250 Ordinary "B" Shares of £1 each	<u>12,250</u>	<u>12,250</u>
	<u>50,000</u>	<u>50,000</u>

The "A" ordinary shares and the "B" ordinary shares rank pari passu in all respects.

# MR. PLANT HIRE PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 21 Operating lease commitments

#### Lessee

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

	2018 £	2017 £
Within one year	83,800	59,167
Between two and five years	288,567	138,000
In over five years	304,350	352,750
	<u>676,717</u>	<u>549,917</u>

During the year £100,486 (2017: £101,618) was recognised as an expense in the profit and loss account in respect of operating leases.

### 22 Related party transactions

During the year, the company paid rent of £42,500 (2017: £40,000) to Elslaw Pension Trust, of which the directors Mr D J Elsdon and Mr M J Lawrence are beneficiaries.

On 5 January 2018 the company took out a lease with Elslaw Pension Trust. The term of the lease is 5 years to 31 October 2022, the annual rental charge is £43,000.

Included in debtors is a balance of £364,050 (2017: £179,972) due from AER Rents Ltd, the immediate parent of the company.

Included in other creditors is a balance of £Nil (2017: £1,041,341) due to O'Flaherty Holdings Limited. This loan was repaid during the year.

### 23 Controlling party

The intermediate parent company is AER Rents Limited, a company incorporated in England and Wales.

The ultimate parent company is Hailstone Holdings Limited, a company incorporated in Malta with a registered address at 35 Strait Street, Valletta, Malta.

The ultimate controlling parties are members of the O'Flaherty family.

### 24 Events after the reporting date

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

### 25 Approval of the financial statements

The board of directors approved the financial statements on 5 February 2019.