

HIRE EQUIPMENT (LUDLOW) LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 APRIL 2018

HIRE EQUIPMENT (LUDLOW) LIMITED
REGISTERED NUMBER: 02366840

BALANCE SHEET
AS AT 30 APRIL 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	5	438,020	423,506
Investment property	6	620,000	620,000
		<u>1,058,020</u>	<u>1,043,506</u>
Current assets			
Stocks	7	11,985	12,395
Debtors	8	98,920	125,983
Cash at bank and in hand	9	638,697	522,668
		<u>749,602</u>	<u>661,046</u>
Creditors: amounts falling due within one year	10	(223,179)	(193,671)
Net current assets		<u>526,423</u>	<u>467,375</u>
Total assets less current liabilities		<u>1,584,443</u>	<u>1,510,881</u>
Creditors: amounts falling due after more than one year	11	(23,167)	(33,673)
Provisions for liabilities			
Deferred tax	14	(117,471)	(112,704)
		<u>(117,471)</u>	<u>(112,704)</u>
Net assets		<u><u>1,443,805</u></u>	<u><u>1,364,504</u></u>
Capital and reserves			
Called up share capital	15	10,000	10,000
Profit and loss account		1,433,805	1,354,504
		<u><u>1,443,805</u></u>	<u><u>1,364,504</u></u>

HIRE EQUIPMENT (LUDLOW) LIMITED
REGISTERED NUMBER: 02366840

BALANCE SHEET (CONTINUED)
AS AT 30 APRIL 2018

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 October 2018.

.....
Mr R S Jones
Director

The notes on pages 3 to 13 form part of these financial statements.

HIRE EQUIPMENT (LUDLOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

1. General information

Hire Equipment (Ludlow) Limited, 02366840, is a private limited company limited by shares, incorporated in England and Wales, with its registered office and principal place of business at Orleton Road, Ludlow Business Park, Ludlow, Shropshire SY8 1XF.

The company's principal activity continues to be hiring out plant and machinery.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018

2. Accounting policies (continued)

2.3 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 May 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.4 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

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 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.7 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 Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018

2. Accounting policies (continued)

2.8 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 balance sheet 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 Balance sheet 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 balance sheet date.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a straight line and reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Plant & machinery	- 20% straight line
Motor vehicles	- 25% reducing balance
Office equipment	- 15% reducing balance

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018

2. Accounting policies (continued)

2.10 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2.11 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 balance sheet 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.

2.12 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.

2.13 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.

2.14 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.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

HIRE EQUIPMENT (LUDLOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018

2. Accounting policies (continued)

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the relates actual results. In the opinion of the directors there are no estimates nor assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Employees

The average monthly number of employees, including directors, during the year was 7 (2017 - 7).

HIRE EQUIPMENT (LUDLOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018

5. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 May 2017	152,904	1,002,118	36,615	15,503	1,207,140
Additions	-	100,966	59,113	-	160,079
Disposals	-	(112,278)	(5,500)	-	(117,778)
At 30 April 2018	152,904	990,806	90,228	15,503	1,249,441
Depreciation					
At 1 May 2017	21,600	715,286	32,267	14,481	783,634
Charge for the year on owned assets	1,200	42,633	15,727	153	59,713
Charge for the year on financed assets	-	50,483	-	-	50,483
Disposals	-	(77,459)	(4,950)	-	(82,409)
At 30 April 2018	22,800	730,943	43,044	14,634	811,421
Net book value					
At 30 April 2018	130,104	259,863	47,184	869	438,020
At 30 April 2017	131,304	286,832	4,348	1,022	423,506

The net book value of land and buildings may be further analysed as follows:

	2018 £	2017 £
Freehold	130,104	131,304
	<u>130,104</u>	<u>131,304</u>

HIRE EQUIPMENT (LUDLOW) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

5. Tangible fixed assets (continued)

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

	2018	2017
	£	£
Plant and machinery	98,361	111,844
	<u>98,361</u>	<u>111,844</u>

6. Investment property

	Freehold investment property £
Valuation	
At 1 May 2017	620,000
	<u>620,000</u>
At 30 April 2018	<u>620,000</u>
Comprising	
Cost	265,603
	Annual
Annual revaluation surplus/(deficit):	revaluation
2017	surplus/(deficit):
	<u>354,397</u>
At 30 April 2018	<u>620,000</u>

The 2018 valuations were made by Halls Estate Agents, on an open market value for existing use basis.

At 30 April 2018

HIRE EQUIPMENT (LUDLOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018

7. Stocks

	2018 £	2017 £
Finished goods and goods for resale	11,985	12,395
	<u>11,985</u>	<u>12,395</u>

8. Debtors

	2018 £	2017 £
Trade debtors	75,833	102,466
Other debtors	-	1,388
Prepayments and accrued income	23,087	22,129
	<u>98,920</u>	<u>125,983</u>

9. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	638,697	522,668
	<u>638,697</u>	<u>522,668</u>

HIRE EQUIPMENT (LUDLOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018

10. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdraft	39,614	49,880
Payments received on account	5,833	5,833
Trade creditors	110,137	67,633
Amounts owed to group undertakings	4,746	5,454
Other taxation and social security	25,854	17,521
Obligations under finance lease and hire purchase contracts	24,925	32,406
Other creditors	7,833	10,626
Accruals and deferred income	4,237	4,318
	<u>223,179</u>	<u>193,671</u>

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

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	23,167	33,673
	<u>23,167</u>	<u>33,673</u>

Included within creditors due within one year are bank overdrafts of £39,614 (2017: £49,880) which are secured upon the assets of the company.

Hire purchase liabilities of £24,925 (2017: £32,406) are secured upon the assets to which they relate.

Included within creditors due after more than year are hire purchase liabilities of £23,167 (2017: £33,673) that are secured upon the assets to which they relate.

HIRE EQUIPMENT (LUDLOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018

12. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	39,614	49,880
	<u>39,614</u>	<u>49,880</u>
	<u>39,614</u>	<u>49,880</u>

13. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	24,925	32,406
Between 1-2 years	11,283	18,089
Between 2-5 years	11,883	15,584
	<u>48,091</u>	<u>66,079</u>

HIRE EQUIPMENT (LUDLOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018

14. Deferred taxation

	2018 £
At beginning of year	112,704
Charged to profit or loss	4,767
Utilised in year	-
At end of year	<u>117,471</u>

The provision for deferred taxation is made up as follows:

	2018 £
Accelerated capital allowances	117,471
	<u>117,471</u>

15. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
10,000 (2017 - 10,000) Ordinary Shares shares of £1.00 each	<u>10,000</u>	<u>10,000</u>

16. 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 £600 (2017: £635). Contributions totalling £117 (2017: £nil) were payable to the fund at the balance sheet date.

17. Controlling party

The ultimate holding company is LRCM Limited who own 100% of the issued share capital, which is a UK registered company.

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