

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019
FOR
L. LYNCH (PLANT HIRE & HAULAGE) LIMITED**



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FOR THE YEAR ENDED 28 FEBRUARY 2019**

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L. LYNCH (PLANT HIRE & HAULAGE) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 28 FEBRUARY 2019**

DIRECTORS:

Mr L Lynch
Mr R M Lynch
Mr M L Lynch

SECRETARY:

Mr F Swampillai

REGISTERED OFFICE:

Boundary Way
Hemel Hempstead
Hertfordshire
HP2 7YU

REGISTERED NUMBER:

02841395 (England and Wales)

AUDITORS:

Freemans Partnership LLP
Chartered Certified Accountants
and Statutory Auditors
Solar House
282 Chase Road
London
N14 6NZ

BANKERS:

HSBC Bank Plc
9 The Boulevard
Crawley
West Sussex
RH10 1UT

**STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2019**

The directors present their strategic report for the year ended 28 February 2019.

REVIEW OF BUSINESS

L Lynch (Plant Hire & Haulage) Limited has been established for over 30 years and is a leading name in the plant hire industry.

The company has accomplished this by continuing to listen to its customers and implementing cost-effective methods to meet their requirements.

The company has a strong commitment to its customers which ensures that best service is given at all times. It has delivered this standard by employing highly-skilled, well-trained and fully motivated staff, as well as investing in the latest plant hire machines and technology.

The aim is to continue to be recognised as the leading plant hire company in the UK through excellent customer service.

The increased profitability of the plant hire section also related to the company working closely with main contractors and winning major projects. Superiority of plant, equipment and personnel supplied played a key role in achieving this growth. In the upcoming year the company expects to achieve more profit growth and also win additional major infrastructure projects.

The directors are confident that the incoming fiscal year will bring more growth to the businesses in terms of profits and expect this trend to continue on the back of the recovery in the market as a whole post referendum.

The directors have identified the following key performance indicators:

	2019	2018
Turnover	£63,927,071	£62,642,837
Percentage Increase (decrease) in turnover	2.05%	(12.32%)
Gross Profit %	29.2%	28.5%
Net Profit %	8.4%	2.6%
Net Current (Liabilities)/ Assets	(£6,888,899)	(£14,423,543)
Shareholders Funds	£14,982,911	£13,416,444

The company's principal financial instruments include bank loans, finance leases and hire purchase and leasing contracts which are used to raise finance for its operations. The directors consider that the main risks and uncertainties that are relevant to the company are credit risk and interest rate risk and they believe that they have taken reasonable steps to manage these risks through detailed cash-flow planning and by negotiating competitive rates with various financial lenders. They manage the company's borrowing to minimise its interest expense whilst ensuring it has sufficient liquid resources to meet its operating needs.

ON BEHALF OF THE BOARD:



Mr L Lynch - Director

10 October 2019

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

The directors present their report with the financial statements of the company for the year ended 28 February 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of plant hire and haulage.

DIVIDENDS

The total distribution of dividends for the year ended 28 February 2019 will be £2,800,000.

DIRECTORS

The Directors who served the company during the year were as follows:

Mr L Lynch
Mr RM Lynch
Mr ML Lynch

POLITICAL AND CHARITABLE DONATIONS AND EXPENDITURE

During the year company made following political and charitable donations :

	£
The Lighthouse Club	4,333
Young People fund	1,375
Save The Children	1,200
Sightsavers	480
Various charitable donations	2,181
	<hr/>
	9,569
	<hr/>

DISCLOSURE IN THE STRATEGIC REPORT

Details of the directors' review of business, future developments and risk exposure in relation to the company are included in the company's strategic report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Freemans Partnership LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mr L Lynch - Director

10 October 2019

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
L. LYNCH (PLANT HIRE & HAULAGE) LIMITED**

Opinion

We have audited the financial statements of L. Lynch (Plant Hire & Haulage) Limited (the 'company') for the year ended 28 February 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 28 February 2019 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 Auditors' 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
L. LYNCH (PLANT HIRE & HAULAGE) LIMITED**

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 or the Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

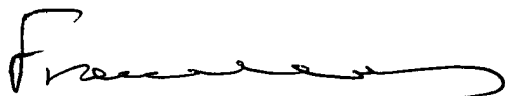
Auditors' responsibilities for the audit of the financial statements

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 a Report of the Auditors 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 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 Report of the Auditors.

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 a Report of the Auditors 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.



Chrysanthos Petrides (Senior Statutory Auditor)
for and on behalf of Freemans Partnership LLP
Chartered Certified Accountants
and Statutory Auditors
Solar House
282 Chase Road
London
N14 6NZ

10 October 2019

**INCOME STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2019**

	Notes	28.2.19 £	28.2.18 £
TURNOVER	3	63,927,071	62,642,837
Cost of sales		<u>45,264,297</u>	<u>44,806,182</u>
GROSS PROFIT		18,662,774	17,836,655
Administrative expenses		<u>12,612,633</u>	<u>15,156,691</u>
OPERATING PROFIT	5	6,050,141	2,679,964
Interest receivable and similar income		-	29,109
		<u>6,050,141</u>	<u>2,709,073</u>
Interest payable and similar expenses	6	<u>651,484</u>	<u>1,103,466</u>
PROFIT BEFORE TAXATION		5,398,657	1,605,607
Tax on profit	7	<u>1,032,190</u>	<u>135,596</u>
PROFIT FOR THE FINANCIAL YEAR		<u>4,366,467</u>	<u>1,470,011</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2019**

	Notes	28.2.19 £	28.2.18 £
PROFIT FOR THE YEAR		4,366,467	1,470,011
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,366,467</u>	<u>1,470,011</u>

The notes form part of these financial statements

BALANCE SHEET
28 FEBRUARY 2019

	Notes	28.2.19 £	28.2.18 £
FIXED ASSETS			
Tangible assets	9	26,971,611	40,834,548
CURRENT ASSETS			
Stocks	10	199,994	221,076
Debtors	11	16,362,817	14,219,727
Cash at bank and in hand		719,079	469,254
		<u>17,281,890</u>	<u>14,910,057</u>
CREDITORS			
Amounts falling due within one year	12	24,170,789	29,333,600
NET CURRENT LIABILITIES		<u>(6,888,899)</u>	<u>(14,423,543)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		20,082,712	26,411,005
CREDITORS			
Amounts falling due after more than one year	13	(5,091,379)	(12,984,908)
PROVISIONS FOR LIABILITIES	17	<u>(8,422)</u>	<u>(9,653)</u>
NET ASSETS		<u>14,982,911</u>	<u>13,416,444</u>
CAPITAL AND RESERVES			
Called up share capital	18	100	100
Retained earnings	19	14,982,811	13,416,344
SHAREHOLDERS' FUNDS		<u>14,982,911</u>	<u>13,416,444</u>

The financial statements were approved by the Board of Directors on 10 October 2019 and were signed on its behalf by:



Mr L Lynch - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 March 2017	100	13,373,333	13,373,433
Changes in equity			
Dividends	-	(1,427,000)	(1,427,000)
Total comprehensive income	-	1,470,011	1,470,011
Balance at 28 February 2018	<u>100</u>	<u>13,416,344</u>	<u>13,416,444</u>
Changes in equity			
Dividends	-	(2,800,000)	(2,800,000)
Total comprehensive income	-	4,366,467	4,366,467
Balance at 28 February 2019	<u>100</u>	<u>14,982,811</u>	<u>14,982,911</u>

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2019**

	Notes	28.2.19 £	28.2.18 £
Cash flows from operating activities			
Cash generated from operations	1	9,568,215	21,057,306
Interest paid		(651,484)	(1,103,466)
Tax paid		(422,507)	(196,747)
Net cash from operating activities		<u>8,494,224</u>	<u>19,757,093</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(35,240)	(4,129,403)
Sale of tangible fixed assets		7,668,486	6,198,859
Interest received		-	29,109
Net cash from investing activities		<u>7,633,246</u>	<u>2,098,565</u>
Cash flows from financing activities			
New Finance leases in year		-	3,760,610
Capital repayments in year		(14,817,175)	(20,192,139)
Amount withdrawn by directors		19,941	(3,796)
Equity dividends paid		(2,800,000)	(1,427,000)
Net cash from financing activities		<u>(17,597,234)</u>	<u>(17,862,325)</u>
(Decrease)/increase in cash and cash equivalents		<u>(1,469,764)</u>	<u>3,993,333</u>
Cash and cash equivalents at beginning of year	2	<u>(2,667,903)</u>	<u>(6,661,236)</u>
Cash and cash equivalents at end of year	2	<u><u>(4,137,667)</u></u>	<u><u>(2,667,903)</u></u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2019

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	28.2.19 £	28.2.18 £
Profit before taxation	5,398,657	1,605,607
Depreciation charges	6,353,624	8,657,304
(Profit)/loss on disposal of fixed assets	(123,933)	465,755
Finance costs	651,484	1,103,466
Finance income	-	(29,109)
	<u>12,279,832</u>	<u>11,803,023</u>
Decrease/(increase) in stocks	21,082	(69,900)
(Increase)/decrease in trade and other debtors	(2,146,359)	4,568,032
(Decrease)/increase in trade and other creditors	(586,340)	4,756,151
	<u>9,568,215</u>	<u>21,057,306</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 28 February 2019

	28.2.19 £	1.3.18 £
Cash and cash equivalents	719,079	469,254
Bank overdrafts	(4,856,746)	(3,137,157)
	<u>(4,137,667)</u>	<u>(2,667,903)</u>

Year ended 28 February 2018

	28.2.18 £	1.3.17 £
Cash and cash equivalents	469,254	557,210
Bank overdrafts	(3,137,157)	(7,218,446)
	<u>(2,667,903)</u>	<u>(6,661,236)</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

1. STATUTORY INFORMATION

L. Lynch (Plant Hire & Haulage) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents amounts derived from the provision of services to customers during the year, and is recognised at the date the service was provided. This is stated after trade discounts, other sales taxes and net of VAT.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures & equipment	- 15% on reducing balance
Computer equipment	- 15% on reducing balance

Plant & machinery	- 17% on reducing balance
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Tangible fixed assets are stated at cost or valuation less depreciation.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated as follows:

Raw materials and consumables - Purchase cost on a first in, first out basis.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2019

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Hire purchase and leased asset commitments

A lease is classified as a finance lease if it transfers sustainably all the risk and rewards incidental to ownership. All other leases are classified as operating leases.

The right to use and obligations under finance leases are initially recognised as assets and liabilities at the amounts equal to the fair value or, if lower, the present value of the minimum lease payments.

Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life.

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	28.2.19	28.2.18
	£	£
United Kingdom	63,927,071	62,642,837
	<u>63,927,071</u>	<u>62,642,837</u>

4. EMPLOYEES AND DIRECTORS

	28.2.19	28.2.18
	£	£
Wages and salaries	4,384,229	3,716,024
	<u>4,384,229</u>	<u>3,716,024</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2019

4. **EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	28.2.19	28.2.18
Management	9	9
Selling and distribution	59	56
Office	58	59
	<u>126</u>	<u>124</u>

Directors' remuneration

	28.2.19 £	28.2.18 £
Emoluments	473,955	318,999
Pension contributions to money purchase scheme	6,000	5,125
	<u>479,955</u>	<u>324,124</u>

During the year 2 directors (2018: 3) participated in the money purchase pension schemes.

Emoluments of the highest paid director were £221,414 (2018 - £141,337). In addition, company pension contributions of £3,000 (2018 - £1,709) were made to a money purchase scheme on his behalf.

5. **OPERATING PROFIT**

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

	28.2.19 £	28.2.18 £
Other operating leases	1,431,957	1,048,958
Depreciation - owned assets	6,353,624	8,657,304
(Profit)/loss on disposal of fixed assets	(123,933)	465,755
Plant hire	10,608,281	9,328,992
Auditors' remuneration	10,000	10,000
Auditors' remuneration for non audit work	29,585	25,935
	<u>17,310,434</u>	<u>19,436,944</u>

Depreciation - owned assets includes depreciation charges of £6,340,816 (2018: £8,647,886) in respect of assets held under hire purchase contracts.

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	28.2.19 £	28.2.18 £
Interest on tax	-	7,159
Finance lease interest	651,484	1,096,307
	<u>651,484</u>	<u>1,103,466</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2019

7. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	28.2.19	28.2.18
	£	£
Current tax:		
UK corporation tax	1,033,421	134,160
Deferred tax:		
Accelerated capital allowances	(1,231)	1,436
Tax on profit	<u>1,032,190</u>	<u>135,596</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	28.2.19	28.2.18
	£	£
Profit before tax	<u>5,398,657</u>	<u>1,605,607</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19.030%)	1,025,745	305,547
Effects of:		
Expenses not deductible for tax purposes	30,012	117,146
Capital allowances in excess of depreciation	-	(1,829)
Depreciation in excess of capital allowances	1,211	-
Adjustments to tax charge in respect of previous periods	-	(286,704)
Deferred tax timing differences	(1,231)	1,436
Profit on disposal of asset	(23,547)	-
Total tax charge	<u>1,032,190</u>	<u>135,596</u>

8. DIVIDENDS

	28.2.19	28.2.18
	£	£
Interim	2,400,000	-
Final	400,000	1,427,000
TOTAL	<u>2,800,000</u>	<u>1,427,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2019

9. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures & equipment £	Computer equipment £	Totals £
COST				
At 1 March 2018	66,943,168	150,192	24,289	67,117,649
Additions	5,601	17,046	12,593	35,240
Disposals	(15,702,078)	-	-	(15,702,078)
At 28 February 2019	<u>51,246,691</u>	<u>167,238</u>	<u>36,882</u>	<u>51,450,811</u>
DEPRECIATION				
At 1 March 2018	26,165,414	112,687	5,000	26,283,101
Charge for year	6,340,817	6,829	5,978	6,353,624
Eliminated on disposal	(8,157,525)	-	-	(8,157,525)
At 28 February 2019	<u>24,348,706</u>	<u>119,516</u>	<u>10,978</u>	<u>24,479,200</u>
NET BOOK VALUE				
At 28 February 2019	<u>26,897,985</u>	<u>47,722</u>	<u>25,904</u>	<u>26,971,611</u>
At 28 February 2018	<u>40,777,754</u>	<u>37,505</u>	<u>19,289</u>	<u>40,834,548</u>

All plant and machinery are held under finance agreements.

10. STOCKS

	28.2.19	28.2.18
	£	£
Stocks	<u>199,994</u>	<u>221,076</u>

Stock includes raw materials and consumables.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28.2.19	28.2.18
	£	£
Trade debtors	14,386,766	13,218,674
Other debtors	671,607	431,051
Tax	-	3,269
Prepayments and accrued income	1,304,444	566,733
	<u>16,362,817</u>	<u>14,219,727</u>

Trade debtors include factored debts totalling £11,337,416 as at the year end against which the company has received an advance from its bank of £4,747,326 as detailed in note 16.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2019

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28.2.19	28.2.18
	£	£
Bank loans and overdrafts (see note 14)	4,856,746	3,137,157
Finance leases (see note 15)	7,687,998	14,611,644
Trade creditors	4,742,918	4,326,321
Amounts owed to related company	4,785,452	4,955,306
Tax	607,645	-
Social security and other taxes	205,292	242,245
Net wages control account	139,492	35,128
Pensions	21,006	8,881
VAT	26,413	262,791
Payments on account	127,855	131,720
Directors' loan accounts	20,354	413
Deferred income	37,618	197,974
Accrued expenses	912,000	1,424,020
	<u>24,170,789</u>	<u>29,333,600</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	28.2.19	28.2.18
	£	£
Finance leases (see note 15)	<u>5,091,379</u>	<u>12,984,908</u>

14. LOANS

An analysis of the maturity of loans is given below:

	28.2.19	28.2.18
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>4,856,746</u>	<u>3,137,157</u>

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases	
	28.2.19	28.2.18
	£	£
Net obligations repayable:		
Within one year	7,687,998	14,611,644
Between one and five years	5,091,379	12,984,908
	<u>12,779,377</u>	<u>27,596,552</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2019

15. LEASING AGREEMENTS - continued

	Non-cancellable operating leases	
	28.2.19	28.2.18
	£	£
Within one year	-	248,352
	<u> </u>	<u> </u>

16. SECURED DEBTS

Bank loans and overdrafts, as detailed in note 14 above, include an advance of £4,747,326 as part of the company's invoice financing agreement and is secured against trade debtors as detailed in note 11.

The bank loan and overdraft are also secured by a debenture including fixed and floating charges over all of the company's assets. In addition the bank holds an unlimited multilateral guarantee with the related company L Lynch (Holdings) Ltd.

17. PROVISIONS FOR LIABILITIES

	28.2.19	28.2.18
	£	£
Deferred tax		
Other timing differences	8,422	9,653
	<u> </u>	<u> </u>

	Deferred tax £
Balance at 1 March 2018	9,653
Provided during year	(1,231)
	<u> </u>
Balance at 28 February 2019	8,422
	<u> </u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	28.2.19	28.2.18
			£	£
100	Ordinary	£1	100	100
			<u> </u>	<u> </u>

19. RESERVES

	Retained earnings £
At 1 March 2018	13,416,344
Profit for the year	4,366,467
Dividends	(2,800,000)
	<u> </u>
At 28 February 2019	14,982,811
	<u> </u>

20. RELATED PARTY DISCLOSURES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2019**

20. RELATED PARTY DISCLOSURES - continued

Related parties with common control

	28.2.19	28.2.18
	£	£
Purchases	5,600,000	4,000,000
Transfers	(5,769,854)	1,103,769
Amount due to related party	<u>4,785,452</u>	<u>4,955,306</u>

During the year the company was invoiced plant hire charges totalling to £5,600,000 (2018: £4,000,000) by L. Lynch (Holdings) Limited in which Mr L Lynch has a controlling interest. The services were charged on a commercial basis. The amount due to L. Lynch (Holdings) Limited at the year end was £4,785,452 (2018: £4,955,306). The loan is unsecured, interest free and payable on demand.

During the year, total dividends of £2,800,000 (2018: £1,427,000) were paid to the directors.

21. ULTIMATE CONTROLLING PARTY

The ultimate control of the company lies with its director Mr. L Lynch by virtue of the fact that he owns all of the issued shares.