

Eurofleet Rental Limited

Report and Financial Statements

30 September 2020



Eurofleet Rental Limited

Registered number: 00829413

Directors	H M J Montgomery C J H Montgomery M Kennedy
Registered office	36 Stewarts Road Finedon Road Industrial Estate Wellingborough England NN8 4RJ
Solicitors	Carson McDowell LLP Murray House 4 Murray Street Belfast BT1 6DN
Bankers	Bank of Ireland 275 Antrim Road Newtownabbey BT36 7QN
Auditors	Grant Thornton (NI) LLP 12 - 15 Donegall Square West Belfast BT1 6JH

Independent Auditor's Report to the Members of Eurofleet Rental Limited

Opinion

We have audited the financial statements of Eurofleet Rental Limited, which comprise the Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements for the financial year ended 30 September 2020, and the related 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, Eurofleet Rental Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Company as at 30 September 2020 and of its financial performance for the year then ended; 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') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor 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 United Kingdom, namely FRC's Ethical Standard concerning the integrity, objectivity and independence of the auditor. We have fulfilled our 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

Independent Auditor's Report to the Members of Eurofleet Rental Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the has for the financial year for which the financial statements are prepared is consistent with the financial statements, and the has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 Auditors' report that includes their 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.

As part of an audit in accordance with ISAs (UK), the auditors will exercise professional judgment and maintain professional scepticism throughout the audit. They will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.

Independent Auditor's Report to the Members of Eurofleet Rental Limited

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of managements' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify thier opinion. The conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

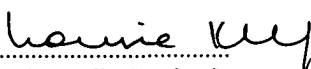
The auditor shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

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

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Other matter

The year ended 30 September 2020 was the first year that Grant Thornton were appointed as external auditors. The predecessor auditor, Ernst & Young LLP, issued an unqualified audit report for the financial statements of Eurofleet Rental Limited for the year ended 30 September 2019. The audit report was signed on 29 May 2020.


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Louise Kelly (Senior Statutory Auditor)
For and on behalf of
Grant Thornton (NI) LLP
Chartered Accountants and Statutory Auditor
Belfast

28 June 2021

Eurofleet Rental Limited

Balance Sheet As at 30 September 2020

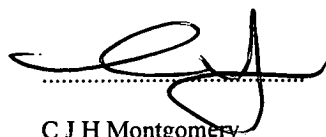
	Note	2020 £	2019 £
Fixed assets			
Tangible assets	5	<u>8,431,624</u>	<u>7,492,505</u>
Current assets			
Stocks	6	11,268	11,611
Debtors	7	<u>9,013,492</u>	<u>8,914,574</u>
		9,024,760	8,926,185
Creditors: Amounts falling due within one year	8	<u>(12,601,394)</u>	<u>(12,592,130)</u>
Net current liabilities		<u>(3,576,634)</u>	<u>(3,665,945)</u>
Total assets less current liabilities		4,854,990	3,826,560
Creditors: Amounts falling due after more than one year	9	(5,122,793)	(3,808,163)
Provisions for liabilities	12	<u>(381,571)</u>	<u>(202,479)</u>
Net liabilities		<u>(649,374)</u>	<u>(184,082)</u>
Capital and reserves			
Called up share capital	13	100,000	100,000
Profit and loss account	14	<u>(749,374)</u>	<u>(284,082)</u>
Equity shareholders' deficit		<u>(649,374)</u>	<u>(184,082)</u>

The financial statements have been prepared in accordance with the provision 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.

Approved and authorised by the Board on 28 June 2021 and signed on its behalf by:



C J H Montgomery
Director

The notes on pages 6 to 18 form an integral part of these financial statements.

Eurofleet Rental Limited

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

1 General information

Eurofleet Rental Limited is a private company limited by shares, incorporated in England.

The address of its registered office is:

36 Stewarts Road

Finedon Road Industrial Estate

Wellingborough

England

NN8 4RJ

United Kingdom

2 Accounting policies

Accounting convention

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including section 1A of Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

These financial statements have been prepared using the historical cost convention.

The financial statements are presented in Sterling (£). All balances presented are rounded to the nearest £1.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In making this assessment the directors have considered the ongoing COVID-19 pandemic and based on the performance of the company post year end the directors do not consider that there has been any significant detrimental impact to the business at this time and consider the business will continue to be profitable and cash generating going forward. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Tangible fixed assets

Tangible fixed assets are stated at their initial purchase cost, net of depreciation and any provisions for impairment. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

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.

Depreciation

Depreciation is provided on fixed assets, other than leasehold investment properties where the lease has 20 years or more to run, on a basis calculated to write off the cost or valuation of the assets over their estimated useful lives. The rates at present in use are as follows:

Asset class	Depreciation method and rate
Plant & equipment	7.5% to 33% straight line

Eurofleet Rental Limited

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

2 Accounting policies (continued)

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 weighted average basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

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 rate method, less any impairment.

Creditors

Short term trade 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.

Leasing and hire purchase commitments

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

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the years of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, 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

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Eurofleet Rental Limited

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

2 Accounting policies (continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated allowances have been met.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Turnover

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

The company recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity and;
- specific criteria have been met for each of the company's activities.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

Pension costs

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 payments obligations.

The contributions are recognised as an expense in the income statement when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

The company is a member of a Group defined benefit pension scheme. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. Due to the complex nature of membership profile in the Group Pension Scheme, it is not practicable to allocate the Company with its portion of the associated assets and liabilities of the Group Scheme. Any surplus or deficit in the Group Pension Scheme will be recognised in full as an asset or liability in the Company's parent undertakings accounts,

Eurofleet Rental Limited

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

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The items in the financial statements where these judgments and estimates have been made include:

(i) Determining and reassessing the residual values and useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and physical condition of the assets.

(ii) Recoverability of debtors

Short term debtors are measured at transaction price, less any impairment. Estimates are made in respect to the recoverable value of trade and other debtors. When assessing the level of provisions required, factors including current trading experience, historical experience and the ageing profile of debtors are considered.

(iii) Assessing indicators of impairment

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4 Employees

The average number of persons, excluding directors, employed by the company during the year was 5 (2019 - 6)

The directors received no remuneration from the company in both the current and prior years.

Eurofleet Rental Limited

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

5 Tangible assets

	Plant and equipment £	Total £
Cost or valuation		
At 1 October 2019	11,409,087	11,409,087
Additions	3,528,558	3,528,558
Disposals	<u>(2,629,610)</u>	<u>(2,629,610)</u>
At 30 September 2020	<u>12,308,035</u>	<u>12,308,035</u>
Depreciation		
At 1 October 2019	3,916,582	3,916,582
Charge for the year	1,617,336	1,617,336
Eliminated on disposal	<u>(1,657,507)</u>	<u>(1,657,507)</u>
At 30 September 2020	<u>3,876,411</u>	<u>3,876,411</u>
Net book value		
At 30 September 2020	<u>8,431,624</u>	<u>8,431,624</u>
At 30 September 2019	<u>7,492,505</u>	<u>7,492,505</u>

The net book value of plant & equipment includes £8,334,318 (2019: £7,101,299) in respect of assets held under finance lease or hire purchase. The depreciation charge in respect of such assets amounted to £1,589,543 (2019: £1,127,395) for the year.

6 Stocks

	2020 £	2019 £
Finished goods	<u>11,268</u>	<u>11,611</u>

The replacement cost of stocks does not differ materially from the balance sheet amount.

Eurofleet Rental Limited

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

7 Debtors

	Note	2020 £	2019 £
Trade debtors		520,336	523,855
Amounts due from group undertakings		8,162,080	8,134,628
Other debtors		46,389	163,637
Prepayments		16,445	42,905
Group relief receivable		<u>268,242</u>	<u>49,549</u>
		<u>9,013,492</u>	<u>8,914,574</u>

8 Creditors: amounts falling due within one year

	Note	2020 £	2019 £
Bank overdrafts		5,288,462	5,578,894
Trade creditors		122,031	116,782
Amounts owed to group undertakings		4,968,234	5,039,494
Other related parties		6,000	-
Other creditors		1,503	1,581
Accruals		23,335	15,165
Obligations under finance leases and hire purchase contracts	10	<u>2,191,829</u>	<u>1,840,214</u>
		<u>12,601,394</u>	<u>12,592,130</u>

As security for any bank overdraft which may arise, Bank of Ireland holds a full mortgage debenture over the assets of the company. The company has also entered into an unlimited intercompany cross guarantee with other members of the Ballyvesey Industries Limited Group.

Amounts due under hire purchase and finance lease agreements are secured against the assets to which they relate.

9 Creditors: amounts falling due after one year

	Note	2020 £	2019 £
Obligations under finance leases and hire purchase contracts	10	<u>5,122,793</u>	<u>3,808,163</u>

Eurofleet Rental Limited

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

10 Obligations under finance leases and hire purchase contracts

The maturity of these amounts is as follows:

		2020	2019
		£	£
Amounts payable:			
Within one year	8	2,191,829	1,840,214
In two to five years	9	<u>5,122,793</u>	<u>3,808,163</u>
		<u><u>7,314,622</u></u>	<u><u>5,648,377</u></u>

11 Other financial commitments

At 30 September 2020, the company had future minimum commitments under non-cancellable operating leases as set out below:

	Land & buildings	
	2020	2019
	£	£
Within one year	53,968	20,000
In two to five years	60,000	60,000
After five years	<u>20,000</u>	<u>20,000</u>
	<u><u>133,968</u></u>	<u><u>100,000</u></u>

12 Provisions for liabilities and charges

	2020	2019
	£	£
At beginning of year	202,479	149,542
Charge for the year	<u>179,092</u>	<u>52,937</u>
At end of year	<u><u>381,571</u></u>	<u><u>202,479</u></u>

Deferred taxation comprises:

	2020	2019
	£	£
Accelerated capital allowances	<u><u>381,571</u></u>	<u><u>202,479</u></u>

Eurofleet Rental Limited

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

13 Share capital

Authorised

	2020	2019
	£	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid shares

	No.	2020	No.	2019
		£		£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

Each ordinary share holds one voting right.

14 Reserves

Called up share capital

This reserve represents the nominal value of shares that have been issued.

Profit and loss account

This reserve includes all current and prior period retained profits and losses.

Eurofleet Rental Limited

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

15 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £5,765 (2019 - £6,317).

The company is a member of the Ballyvesey Group Pension Scheme, a defined benefit pension scheme. On 1 December 2001 the Ballyvesey Group Pension Scheme became a fully paid up scheme and the Ballyvesey Group Personal Pension Scheme (a defined contribution scheme) was set up in its place. From 1 January 2014, an additional Ballyvesey Group Occupational Personal Pension Scheme (a defined contribution scheme) was set up.

None of the Company's employees are active members of the Ballyvesey Group Pension Scheme and hence no contributions are paid to that scheme by the Company. There is no contractual agreement or stated policy for charging the net defined benefit cost to individual group entities that participate in the Ballyvesey Group Pension Scheme. Further, as a result of agreements entered into between the trustees of that scheme and the Company's parent undertaking, Ballyvesey Holdings Limited, the Company has no rights or obligations in respect of any surplus or deficit in that scheme.

Any surplus or deficit in the Ballyvesey Group Pension Scheme is recognised in full as an asset or liability in the accounts of Ballyvesey Holdings Limited. Copies of these accounts are available from its registered office at Carr Hill, Doncaster, DN4 8DE. The relevant disclosures included in those accounts has been replicated in full below:

Eurofleet Rental Limited

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

15 Pension scheme (continued)

Ballyvesey Holdings Ltd Group Pension Scheme

The company sponsors the Ballyvesey Group Pension Scheme, a funded defined benefit pension scheme in the UK. The scheme is set up on a tax relieved basis as a separate trust independent of the company and is supervised by trustees. The trustees are responsible for ensuring that the correct benefits are paid, that the scheme is appropriately funded and that scheme assets are appropriately invested.

The company pays the balance of the cost as determined by regular valuations. The trustees are required to use prudent assumptions to value the liabilities and costs of the scheme whereas the accounting assumptions must be best estimates.

Under a Schedule of Contributions put into place on 2 March 2017, employer contributions of £305,000 per annum, payable monthly with effect from 1 April 2017, are paid to the Scheme in respect of the funding shortfall. From October 2018 the employer agreed to increase the level of deficit repair contributions to £360,000 per annum. Contributions to cover administrative expenses are payable in addition at a rate of £55,000 per annum, payable monthly. A new Schedule of Contributions was put into place on 11 May 2020. The pattern contributions agreed included a three month break in contributions towards the deficit and Scheme expenses from 1 April 2020 to 30 June 2020. The contributions payable from 1 July 2020 are £405,000 p.a. for two years, followed by contributions of £360,000 p.a. until 31 July 2022. In addition to these payments the Employer pays the equivalent of £55,000 per annum into the Scheme in respect of Scheme expenses. Additional contributions of £11.5k were paid into the Scheme during the year ending 30 September 2020, and therefore the total contributions received during the accounting period were £336k.

The Scheme exposes the Company to actuarial risks such as; market (investment risk), interest rate risk, inflation risk, currency risk and longevity risk.

The liabilities for these accounting disclosures have been calculated by rolling forward the statutory annual actuarial results as at 5 April 2020 to 30 September 2020. The figures in the following disclosure were measured using the Projected Unit Method.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2020 £	2019 £
Fair value of scheme assets	13,652,000	13,951,000
Defined benefit obligation	<u>(15,388,000)</u>	<u>(15,192,000)</u>
Net defined liability	(1,736,000)	(1,241,000)
Restriction on asset recognised	-	-
Deferred tax asset on net liability	<u>295,120</u>	<u>210,970</u>
Net amount recognised at year end	<u><u>(1,440,880)</u></u>	<u><u>(1,030,030)</u></u>

Eurofleet Rental Limited

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

15 Pension scheme (continued)

The amounts recognised in comprehensive income are:

The current and past service costs, settlements and curtailments, together with the net interest expense for the year are included in profit or loss. Remeasurements of the net defined benefit liability are included in other comprehensive income.

	2020 £	2019 £
Service cost:		
Current service cost (net of employee contributions)	-	-
Administration expenses	66,000	91,000
Loss/(gain) on plan introductions, changes, curtailments and settlements	-	567,000
Net interest expense/(credit)	19,000	45,000
Charge/(credit) recognised in profit or loss	85,000	703,000
Remeasurements of the net liability:		
Return on scheme assets (excluding amount included in net interest expense)	(50,000)	(1,967,000)
Actuarial (gains)/losses	796,000	1,510,000
Adjustment for restrictions on the asset recognised	-	-
Charge/(credit) recorded in other comprehensive income	746,000	(457,000)
Total defined benefit cost/(credit)	831,000	246,000

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2020 % p.a.	2019 % p.a.
Liability discount rate	1.44	1.69
Inflation assumption - RPI	3.27	3.46
Inflation assumption - CPI	2.47	2.46
Revaluation of deferred pensions:		
In line with CPI	2.47	2.46
Increases for pensions in payment:		
CPI Max 5%	2.47	2.46
CPI Max 3%	2.12	2.11
Proportion of employees opting for early retirement	-	-
Proportion of employees commuting pension for cash	100.00	100.00

Eurofleet Rental Limited

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

15 Pension scheme (continued)

Post retirement mortality assumptions

	2020 Years	2019 Years
<i>Expected age at death of current pensioner at age 65:</i>		
Male aged 65 at year end:	86	86
Female aged 65 at year end:	88	88
<i>Expected age at death of future pensioner at age 45:</i>		
Male aged 45 at year end:	87	87
Female aged 45 at year end:	90	89

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2020 £
<i>Present value at start of year</i>	15,192,000
<i>Interest cost</i>	250,000
<i>Actuarial gains and losses</i>	796,000
<i>Benefits paid</i>	(850,000)
<i>Present value at end of year</i>	<u>15,388,000</u>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2020 £
<i>Fair value at start of year</i>	13,951,000
<i>Interest income</i>	231,000
<i>Return on plan assets, excluding amounts included in interest income/(expense)</i>	50,000
<i>Employer contributions</i>	336,000
<i>Benefits paid</i>	(850,000)
<i>Administration expenses</i>	(66,000)
<i>Fair value at end of year</i>	<u>13,652,000</u>

Eurofleet Rental Limited

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

15 Pension scheme (continued)

Return on scheme assets

	2020 £	2019 £
<i>Interest income</i>	231,000	345,000
<i>Return on plan assets (excluding amount included in net interest expense)</i>	<u>50,000</u>	<u>1,967,000</u>
<i>Total return on scheme assets</i>	<u>281,000</u>	<u>2,312,000</u>

Analysis of assets

The major categories of scheme assets are as follows:

	2020 £	2019 £
<i>Cash and cash equivalents</i>	335,000	267,000
<i>Credit funds</i>	2,767,000	2,490,000
<i>LDI</i>	3,236,000	3,550,000
<i>Multi-assets funds</i>	<u>7,314,000</u>	<u>7,644,000</u>
	<u>13,652,000</u>	<u>13,951,000</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

16 Related party disclosures

Eurofleet Rental Limited is a 100% subsidiary of Ballyvesey Holdings Limited. The company has taken advantage of the exemption given in FRS 102 section 33. This exemption permits non-disclosure of related party transactions of a wholly owned subsidiary company within the Ballyvesey Holdings Limited Group.

17 Parent and ultimate parent undertaking

The company's immediate parent is Ballyvesey Holdings Limited, incorporated in England and a 100% subsidiary of Ballyvesey Industries Limited.

The most senior parent entity producing publicly available financial statements is Ballyvesey Industries Limited. These financial statements are available upon request from Carr Hill, Doncaster, DN4 8DE

The ultimate controlling parties are the members of the Montgomery Family Trusts.