

Company Registration No. 01195918 (England and Wales)

# **R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JANUARY 2021**

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# **R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	R M Penny C E Penny C N Penny D J Pick T G Brimble
<b>Secretary</b>	C E Penny
<b>Company number</b>	01195918
<b>Registered office</b>	Green Street Ston Easton BATH BA3 4BY
<b>Auditor</b>	Old Mill Audit LLP Bishopbrook House Cathedral Avenue WELLS Somerset BA5 1FD

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# **R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED**

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# R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2021

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The directors present the strategic report for the year ended 31 January 2021.

### Fair review of the business

2020/2021 was another strong year which saw both an increase in turnover and profitability. This was as a result of strong performances from our long-established demolition, tipper haulage and excavation businesses along with strong contributions from our fledgling groundworks and waste divisions.

Demolition workloads continue to be high. 2021 saw the successful completion of a prestigious de-construction project of a 14 span flyover in Milton Keynes along with several other high profile projects for both public and private clients.

The construction and groundworks division completed several projects successfully and has already secured a large volume of work for 2020/2021.

Our tipper muck away business continues to benefit from the buoyant housing market.

Our Green Ore waste transfer station was completed at the end of 2020 and is already attracting high volumes of waste.

The COVID-19 pandemic has been a continued challenge throughout the year and, although we have continued to trade, this has increased our cost base.

Looking forward our order book remains strong and, although we are dependent on economic and construction activity, we should be well placed to weather any storm.


### Principal risks and uncertainties

The principal risks and uncertainties facing the business include potential fluctuations within the construction sector.

### Key performance indicators

	Unit	2021	2020
Turnover	£	17,767,987	15,612,430
Gross profit margin	%	21.87	23.01
Profit before taxation	£	1,611,350	1,451,724
Net assets	£	8,978,745	7,810,617

On behalf of the board



R M Penny  
Director

# **R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2021**

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The directors present their annual report and financial statements for the year ended 31 January 2021.

### **Principal activities**

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

### **Results and dividends**

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £86,799. The directors do not recommend payment of a final dividend.

### **Directors**

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

R M Penny  
C E Penny  
C N Penny  
D J Pick  
T G Brimble

### **Financial instruments**

#### ***Objectives and policies***

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements, minimise the company's exposure to fluctuating interest rates, and match the repayment schedule of any external borrowings or overdrafts with the future cash flows expected to arise from the company's trading activities.

#### ***Price risk, credit risk, liquidity risk and cash flow risk***

The company is exposed to a moderate level of credit risk, liquidity risk and cash flow risk. The company manages these risks by financing its operations through the continued support of its bankers and financiers, supplemented by long term bank borrowings where necessary to fund expansion or capital expenditure programmes. The company is not exposed to price risk as it holds no listed investments.

### **Changes in presentation of the financial statements**

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

### **Auditor**

The auditor, Old Mill Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

# **R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED**

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

**FOR THE YEAR ENDED 31 JANUARY 2021**

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### **Statement of directors' responsibilities**

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 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.

### **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.

On behalf of the board

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R M Penny  
Director

Date: .....24 June 2021.....

# **R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED**

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#### **Opinion**

We have audited the financial statements of R.M. Penny (Plant Hire and Demolition) Limited (the 'company') for the year ended 31 January 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 31 January 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# **R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED**

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

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

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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, UK tax legislation, environmental legislation, Vehicle Operator licences and various accreditations (including CHAS, CIRAS, RISQ, BSG, SSIP, Constructionline, Acclaim SSIP, NDTG, GSAS and Builders Profile). Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



**R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED**

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**Use of our report**

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

*Old Mill Audit LLP*

**Andrew Moore BA FCA (Senior Statutory Auditor)**  
**For and on behalf of Old Mill Audit LLP**  
**Statutory Auditor**

*24 June 2021*  
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Bishopbrook House  
Cathedral Avenue  
WELLS  
Somerset  
BA5 1FD

# R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2021

	Notes	2021 £	2020 £
Turnover	3	17,767,987	15,612,430
Cost of sales		(13,881,797)	(12,020,575)
<b>Gross profit</b>		<b>3,886,190</b>	<b>3,591,855</b>
Administrative expenses		(2,352,819)	(2,115,600)
Other operating income	3	112,360	36,517
<b>Operating profit</b>	4	<b>1,645,731</b>	<b>1,512,772</b>
Interest receivable and similar income	6	2,417	2,422
Interest payable and similar expenses	7	(36,798)	(63,470)
<b>Profit before taxation</b>		<b>1,611,350</b>	<b>1,451,724</b>
Tax on profit	8	(356,423)	(266,709)
<b>Profit for the financial year</b>		<b>1,254,927</b>	<b>1,185,015</b>

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

# **R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 JANUARY 2021**

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	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	1,254,927	1,185,015
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>1,254,927</u>	<u>1,185,015</u>

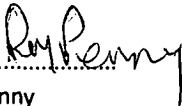
# R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED

## BALANCE SHEET

AS AT 31 JANUARY 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	11		7,832,249		7,380,326
<b>Current assets</b>					
Stocks	12	135,355		139,173	
Debtors	13	3,305,587		3,177,772	
Cash at bank and in hand		1,506,912		1,168,278	
		<u>4,947,854</u>		<u>4,485,223</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(2,705,116)</u>		<u>(2,803,116)</u>	
<b>Net current assets</b>			2,242,738		1,682,107
<b>Total assets less current liabilities</b>			<u>10,074,987</u>		<u>9,062,433</u>
<b>Creditors: amounts falling due after more than one year</b>	15		(559,305)		(859,305)
<b>Provisions for liabilities</b>					
Provisions	17	20,000		20,000	
Deferred tax liability	18	516,937		372,511	
		<u>(536,937)</u>		<u>(392,511)</u>	
<b>Net assets</b>			<u>8,978,745</u>		<u>7,810,617</u>
<b>Capital and reserves</b>					
Called up share capital	20		8,717		8,717
Share premium account			360,538		360,538
Revaluation reserve			300,446		300,446
Profit and loss reserves			8,309,044		7,140,916
<b>Total equity</b>			<u>8,978,745</u>		<u>7,810,617</u>

The financial statements were approved by the board of directors and authorised for issue on 24.6.2021 and are signed on its behalf by:

  
 .....  
 R M Penny  
 Director

Company Registration No. 01195918

# R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JANUARY 2021

		Share capital	Share premium account	Revaluation reserve	Profit and loss reserves	Total
	Notes	£	£	£	£	£
<b>Balance at 1 February 2019</b>		8,717	360,538	300,446	6,643,211	7,312,912
<b>Year ended 31 January 2020:</b>						
Profit and total comprehensive income for the year		-	-	-	1,185,015	1,185,015
Dividends	9	-	-	-	(687,310)	(687,310)
<b>Balance at 31 January 2020</b>		8,717	360,538	300,446	7,140,916	7,810,617
<b>Year ended 31 January 2021:</b>						
Profit and total comprehensive income for the year		-	-	-	1,254,927	1,254,927
Dividends	9	-	-	-	(86,799)	(86,799)
<b>Balance at 31 January 2021</b>		8,717	360,538	300,446	8,309,044	8,978,745

# R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JANUARY 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25	2,610,702		2,374,382	
Interest paid		(36,798)		(63,470)	
Income taxes paid		(147,417)		(273,716)	
<b>Net cash inflow from operating activities</b>		<u>2,426,487</u>		<u>2,037,196</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,660,453)		(2,002,609)	
Proceeds on disposal of tangible fixed assets		169,000		520,890	
Loans made		(212,018)		-	
Receipts arising from loans made		-		43,467	
Interest received		2,417		2,422	
<b>Net cash used in investing activities</b>		<u>(1,701,054)</u>		<u>(1,435,830)</u>	
<b>Financing activities</b>					
Repayment of bank loans		(300,000)		(15,001)	
Dividends paid		(86,799)		(687,310)	
<b>Net cash used in financing activities</b>		<u>(386,799)</u>		<u>(702,311)</u>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>338,634</u>		<u>(100,945)</u>	
Cash and cash equivalents at beginning of year		1,168,278		1,269,223	
<b>Cash and cash equivalents at end of year</b>		<u><u>1,506,912</u></u>		<u><u>1,168,278</u></u>	

# **R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 JANUARY 2021**

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#### **1 Accounting policies**

##### **Company information**

R.M. Penny (Plant Hire and Demolition) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Green Street, Ston Easton, BATH, BA3 4BY.

##### **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. Monetary amounts in these financial statements are rounded to the nearest £.

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

##### **1.2 Going concern**

At the time of approving the financial statements remains uncertainty with regards to Covid-19 on the global economy, however the directors assessed possible future scenarios in their efforts to take all reasonable measures to ensure the business can continue for the foreseeable future. Based on the steps taken by the company and the present years results, during which the pandemic spanned the majority of, in the directors' opinion it is reasonable and appropriate to continue preparing the accounts on the going concern basis.

##### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

##### **1.4 Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

# R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

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### 1 Accounting policies

(Continued)

#### 1.5 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	2% straight line
Plant and machinery	15% reducing balance
Fixtures, fittings & equipment	33% straight line and 15% reducing balance
Motor vehicles	25% reducing balance

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.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

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.

#### 1.7 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 cost and replacement cost, adjusted where applicable for any loss of service potential.



# R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2021

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#### 1 Accounting policies

(Continued)

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.

#### 1.8 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.

#### 1.9 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 balance sheet 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.

##### **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.

##### **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.

# R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

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### 1 Accounting policies

(Continued)

#### ***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.

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

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

### 1.10 Equity instruments

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

### 1.11 Taxation

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

# R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

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### 1 Accounting policies

(Continued)

#### *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*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.12 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### 1.13 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.

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

# **R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED**

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

**FOR THE YEAR ENDED 31 JANUARY 2021**

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### **1 Accounting policies**

**(Continued)**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### **1.16 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### **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.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### ***Doubtful debts***

The directors have reviewed all significant debts on a case by case basis and have made a provision for doubtful debts based upon their knowledge of both the specific customer and the current economic conditions within the industry.

# R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2021

#### 2 Judgements and key sources of estimation uncertainty

(Continued)

##### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### Depreciation

The directors use their knowledge of the business and the industry to estimate the useful life and residual value of property, plant and equipment in order to arrive at applicable depreciation rates. In accordance with Section 17 of FRS 102, the directors review and update these estimates if there are indicators that current estimates should change.

It must be noted that there is inherent uncertainty within these estimates as factors such as unexpected wear and tear, technological advancement and changes in market prices may result in future changes to the appropriate rate of depreciation. The carrying value of property, plant and equipment at the year end is set out in the notes to these financial statements.

##### Contracts

The company has a number of contracts which requires the company to exercise judgement over contractual entitlements. The range of potential outcomes in future financial periods could result in a material positive or negative movement to underlying profitability and cash flow.

Estimates are made and re-evaluated at each reporting date as to the quantum and timing of liabilities arising from complete contracts. The carrying value of amounts recoverable on contract is set out in the notes to these financial statements.

The total income derived from contracts during the year is £12,386,431 (2019 - £9,748,680).

##### Valuation of land and buildings

The directors use their knowledge of the local area and market activity to judge the open market value of land and buildings. These valuations are reviewed on a yearly basis in line with market trends.

It is noted that there is inherent uncertainty regarding the requirement for land and buildings in the local area and market value is dependent on demand. The carrying value of freehold property held at fair value at the year end is set out in the notes to these financial statements.

#### 3 Turnover and other revenue

	2021	2020
	£	£
<b>Turnover analysed by class of business</b>		
Sale of goods (aggregates and soil)	1,962,781	2,051,226
Sale of services (contract revenue)	12,386,431	9,748,680
Sale of services (plant hire)	3,418,775	3,812,524
	<u>17,767,987</u>	<u>15,612,430</u>

# R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 3 Turnover and other revenue

(Continued)

	2021	2020
	£	£
<b>Other significant revenue</b>		
Interest income	2,417	2,422
Grants received	73,774	-
Rental income arising from investment properties	38,586	-
	<u>          </u>	<u>          </u>

### 4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(73,774)	-
Fees payable to the company's auditor for the audit of the company's financial statements	9,840	9,550
Depreciation of owned tangible fixed assets	1,033,133	978,988
Loss/(profit) on disposal of tangible fixed assets	6,397	(50,303)
Operating lease charges	158,596	139,178
	<u>          </u>	<u>          </u>

### 5 Employees

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

	2021	2020
	Number	Number
Office and management staff	19	14
Operators, drivers, fitters and foremen	84	86
	<u>          </u>	<u>          </u>
Total	103	100
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	4,104,120	3,524,393
Social security costs	387,799	359,140
Pension costs	60,257	65,930
	<u>          </u>	<u>          </u>
	4,552,176	3,949,463
	<u>          </u>	<u>          </u>

# R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 6 Interest receivable and similar income

	2021	2020
	£	£
<b>Interest income</b>		
Interest on bank deposits	-	140
Other interest income	2,417	2,282
	<u>2,417</u>	<u>2,422</u>
<b>Total income</b>	<u>2,417</u>	<u>2,422</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	-	140
	<u>-</u>	<u>140</u>

### 7 Interest payable and similar expenses

	2021	2020
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	36,798	63,470
	<u>36,798</u>	<u>63,470</u>

### 8 Taxation

	2021	2020
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	211,997	147,417
	<u>211,997</u>	<u>147,417</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	144,426	119,292
	<u>144,426</u>	<u>119,292</u>
<b>Total tax charge</b>	<u>356,423</u>	<u>266,709</u>

# R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 8 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:

	2021 £	2020 £
Profit before taxation	1,611,350	1,451,724
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	306,157	275,828
Tax effect of expenses that are not deductible in determining taxable profit	2,676	1,525
Depreciation on assets not qualifying for tax allowances	11,282	10,514
Deferred tax adjustments in respect of prior years	(6,725)	(21,158)
Effect of change in local deferred tax rate	43,033	-
Taxation charge for the year	356,423	266,709

### 9 Dividends

	2021 £	2020 £
Interim paid	86,799	687,310

### 10 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 February 2020 and 31 January 2021	216,852
<b>Amortisation and impairment</b>	
At 1 February 2020 and 31 January 2021	216,852
<b>Carrying amount</b>	
At 31 January 2021	-
At 31 January 2020	-



# R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2021

#### 11 Tangible fixed assets

	Freehold property	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 February 2020	2,468,464	6,906,780	184,711	3,670,689	13,230,644
Additions	10,000	1,313,860	8,692	327,901	1,660,453
Disposals	-	(482,500)	-	(191,093)	(673,593)
At 31 January 2021	2,478,464	7,738,140	193,403	3,807,497	14,217,504
<b>Depreciation and impairment</b>					
At 1 February 2020	111,689	3,555,691	130,586	2,052,352	5,850,318
Depreciation charged in the year	49,605	525,378	28,602	429,548	1,033,133
Eliminated in respect of disposals	-	(337,116)	-	(161,080)	(498,196)
At 31 January 2021	161,294	3,743,953	159,188	2,320,820	6,385,255
<b>Carrying amount</b>					
At 31 January 2021	2,317,170	3,994,187	34,215	1,486,677	7,832,249
At 31 January 2020	2,356,775	3,351,089	54,125	1,618,337	7,380,326

Freehold property is stated at market value as at 31 January 2021. In establishing their valuation, the directors have considered recent market transactions on arm's length terms for similar local properties.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the carrying amounts would have been approximately £2,093,624 (2020 - £2,133,229), being cost £2,272,639 (2020 - £2,262,639) and depreciation £179,015 (2020 - £129,410).

#### 12 Stocks

	2021	2020
	£	£
Raw materials and consumables	135,355	139,173

# R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 13 Debtors

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	1,438,648	1,973,308
Gross amounts owed by contract customers	1,447,640	1,047,633
Other debtors	238,627	21,580
Prepayments and accrued income	180,672	135,251
	<u>3,305,587</u>	<u>3,177,772</u>

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

	Notes	2021	2020
		£	£
Bank loans	16	260,000	260,000
Trade creditors		1,439,668	1,702,140
Corporation tax		211,997	147,417
Other taxation and social security		400,986	318,121
Other creditors		64,900	61,351
Accruals and deferred income		327,565	314,087
		<u>2,705,116</u>	<u>2,803,116</u>

Bank loans and overdrafts are secured by a fixed and floating charge over the company's assets. Bank overdrafts are repayable on demand.

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

	Notes	2021	2020
		£	£
Bank loans and overdrafts	16	559,305	859,305
		<u>559,305</u>	<u>859,305</u>

Bank loans and overdrafts are secured by a fixed and floating charge over the company's assets. Bank overdrafts are repayable on demand.

Amounts included above which fall due after five years are as follows:

Payable by instalments	210,000	270,000
	<u>210,000</u>	<u>270,000</u>

# R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 16 Loans and overdrafts

	2021 £	2020 £
Bank loans	819,305	1,119,305
Payable within one year	260,000	260,000
Payable after one year	559,305	859,305

Bank loans and overdrafts are secured by a fixed and floating charge over the company's assets. Bank overdrafts are repayable on demand.

### 17 Provisions for liabilities

	2021 £	2020 £
Other provisions	20,000	20,000

Movements on provisions:

	Other provisions £
At 1 February 2020 and 31 January 2021	20,000

Other provisions are made in respect of restoring land and buildings, occupied under operating lease agreements, to their former condition. The provision is expected to be utilised on termination of such leases, subject to their renewal.

### 18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	532,785	377,023
Other timing differences	(15,848)	(4,512)
	516,937	372,511

# R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 18 Deferred taxation (Continued)

	2021 £
<b>Movements in the year:</b>	
Liability at 1 February 2020	372,511
Charge to profit or loss	144,426
Liability at 31 January 2021	<u>516,937</u>

### 19 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>60,257</u>	<u>65,930</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

	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary A shares of £1 each	1,717	1,743	1,717	1,743
Ordinary B shares of £1 each	3,384	3,411	3,384	3,411
Ordinary C shares of £1 each	1,485	1,485	1,485	1,485
Ordinary D Shares of £1 each	1,453	1,453	1,453	1,453
Ordinary E Shares of £1 each	678	625	678	625
	<u>8,717</u>	<u>8,717</u>	<u>8,717</u>	<u>8,717</u>

Each class of share carry equal rights in all respects, with the exception that they may receive dividends at different rates.

During the year 26 Ordinary A shares and 27 Ordinary B shares were converted into Ordinary E shares.

# R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2021

#### 21 Operating lease commitments

##### Lessee

Assets held under operating lease agreements include land and buildings used in the course of the trade.

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:

	2021 £	2020 £
Within one year	58,756	58,756
Between two and five years	235,024	235,024
In over five years	235,024	293,780
	<u>528,804</u>	<u>587,560</u>

#### 22 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2021 £	2020 £
Acquisition of tangible fixed assets	270,082	-
	<u>270,082</u>	<u>-</u>

#### 23 Related party transactions

The following amounts were outstanding at the reporting end date:

	2021 £	2020 £
Amounts due to related parties		
Other related parties	28,000	28,000
	<u>28,000</u>	<u>28,000</u>

# R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 24 Directors' transactions

Dividends totalling £86,799 (2020 - £687,310) were paid in the year in respect of shares held by the company's directors.

During the year the company paid £28,000 (2020 - £28,000) to directors' for rental properties and £12,000 (2020 - £12,000) for racehorses owned by the directors' for sponsorship purposes.

At the year end there was a total amount owing to company directors' of £37,663 (2020 - £38,513).

Amounts due from directors' were as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Loan	2.25	18,358	240,751	2,348	(35,195)	226,262
		<u>18,358</u>	<u>240,751</u>	<u>2,348</u>	<u>(35,195)</u>	<u>226,262</u>

Mr R M Penny has personally guaranteed the company's bank borrowings up to £700,000 (2020 - £700,000).

### 25 Cash generated from operations

	2021 £	2020 £
Profit for the year after tax	1,254,927	1,185,015
<b>Adjustments for:</b>		
Taxation charged	356,423	266,709
Finance costs	36,798	63,470
Investment income	(2,417)	(2,422)
Loss/(gain) on disposal of tangible fixed assets	6,397	(50,303)
Depreciation and impairment of tangible fixed assets	1,033,133	978,988
<b>Movements in working capital:</b>		
Decrease in stocks	3,818	31,521
Decrease/(increase) in debtors	84,203	(1,362,921)
(Decrease)/increase in creditors	(162,580)	1,264,325
<b>Cash generated from operations</b>	<u>2,610,702</u>	<u>2,374,382</u>

# **R.M. PENNY (PLANT HIRE AND DEMOLITION) LIMITED**

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

**FOR THE YEAR ENDED 31 JANUARY 2021**

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**26 Analysis of changes in net funds**

	<b>1 February 2020</b>	<b>Cash flows</b>	<b>31 January 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	1,168,278	338,634	1,506,912
Borrowings excluding overdrafts	(1,119,305)	300,000	(819,305)
	<u>48,973</u>	<u>638,634</u>	<u>687,607</u>