

Company Registration No. 03053963 (England and Wales)

**CROWLAND CRANES LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2021**

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# CROWLAND CRANES LTD

## COMPANY INFORMATION

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<b>Directors</b>	P J Issitt J M Issitt
<b>Secretary</b>	J M Issitt
<b>Company number</b>	03053963
<b>Registered office</b>	Crease Drove Crowland Peterborough Cambridgeshire PE6 0BN
<b>Auditor</b>	Stephenson Smart & Co 36 Tyndall Court Commerce Road Lynch Wood Peterborough PE2 6LR
<b>Business address</b>	Crease Drove Crowland Peterborough PE6 0BN

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# **CROWLAND CRANES LTD**

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# CROWLAND CRANES LTD

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 OCTOBER 2021

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

#### **Fair review of the business and key performance indicators**

The company continues to deliver strong financial results, generating cash from operating activities of £2.0m and achieving a net profit before tax of £1.9m. During the financial year a dividend of £1.1m was paid to the company's parent undertaking.

Investment in the company's crane hire fleet in the year totalled £1.9m, and a further £0.5m was invested in other plant, equipment and vehicles. The company strategy is to continue to invest in its fleet and staff to ensure it is able to offer its customers the most up to date and highly maintained cranes, with operators trained to the highest levels, meeting the full spectrum of customer crane hire requirements. This ongoing investment has enabled the company to firmly establish a market leading regional footprint from its three depots at Peterborough, Norwich and Bury where it continues to increase its sales activity and offer increased employment opportunities.

At the balance sheet date just £0.5m of external finance was secured against the company's hire fleet, which has a net book value of £4.6m. The company held cash balances at 31 October 2021 of £2.1m and its net assets totalled £6.8m.

The construction sector appears to have fully recovered from the pandemic with business activity levels for the sector now at pre pandemic levels.

The directors are confident that the company will continue to deliver strong financial performance and continue to build on its reputation as a market leading operator in the Crane hire sector. The directors will continue to actively explore further business growth opportunities.

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

The control and management of risks within the business and its operational environment is addressed through a robust framework of policies, procedures and internal controls.

##### Plant utilisation

The company has built strong relationships with clients which relies upon a quality of service that can adapt to the needs of the client. This ensures repeat custom which is paramount in maximising plant utilisation and profitability.

##### Cash flow

The directors continue to invest a significant amount of retained profits back into the business asset base and carefully monitor cash flow to ensure investment is managed from the cash resources available. A relatively small percentage of the company's hire fleet is subject to charges under finance lease and hire purchase agreements.

##### Credit risk

The company's principal financial risk relates to its trade debtors. The company operates a clear procedure for assessing each customer's credit risk and tightly manages credit limits. The amounts presented in the Balance Sheet for trade debtors are net of doubtful debts and the company has no significant concentration of its debtors with one customer. The company has again maintained an excellent debt collection performance during the financial year.

##### Operational risk

The company engages external expertise alongside operating its own strict policies and procedures in order to ensure that all of its employees operate to the highest of safety standards.

# CROWLAND CRANES LTD

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

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On behalf of the board



.....  
P J Issitt

Director

..... 28/6/2022

# **CROWLAND CRANES LTD**

## **DIRECTORS' REPORT**

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

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

#### **Principal activities**

The principal activity of the company throughout the year was that of crane hire, sales and repair.

#### **Directors**

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

P J Issitt  
J M Issitt

#### **Results and dividends**

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

Interim dividends were paid to the company's parent undertaking amounting to £1,100,000. The directors do not recommend payment of a final dividend.

#### **Auditor**

The auditor, Stephenson Smart & Co, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **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.

# CROWLAND CRANES LTD

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 OCTOBER 2021**

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On behalf of the board



.....  
P J Issitt

**Director**

Date: ..... 28/6/2022

# CROWLAND CRANES LTD

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF CROWLAND CRANES LTD

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#### Opinion

We have audited the financial statements of Crowland Cranes Ltd (the 'company') for the year ended 31 October 2021 which comprise the statement of income and retained earnings, the balance sheet 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 October 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.



# **CROWLAND CRANES LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CROWLAND CRANES LTD**

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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.

# CROWLAND CRANES LTD

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CROWLAND CRANES LTD

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- in addressing the risk of fraud through management override of controls we have tested the appropriateness of journal entries and other adjustments and we assessed whether judgements made in accounting estimates are indicative of management bias.

- we have evaluated the rationale of any significant transactions that are unusual or outside the normal course of business;

- analytical procedures are performed as well as substantive testing to identify any potential misstatement due to fraud and the audit procedures would also involve being aware of any items from discussions with staff and management.

- health and safety compliance and procedures and maintaining a vehicle operators licence are considered to be matters which are significant to the continuing operations of the business. We gain an understanding of compliance and procedures in these areas as part of our audit process.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The primary responsibility for the prevention and detection of irregularities including fraud remains with those charged with governance and with management.

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.

### 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.

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Garry Wiles FCA (Senior Statutory Auditor)  
For and on behalf of Stephenson Smart & Co

Chartered Accountants  
Statutory Auditor

*3 July 2022*

36 Tyndall Court  
Commerce Road  
Lynch Wood  
Peterborough  
PE2 6LR

# CROWLAND CRANES LTD

## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 OCTOBER 2021

		2021 £	2020 £
<b>Turnover</b>	<b>3</b>	8,300,912	6,828,262
Cost of sales		(5,593,716)	(5,035,384)
<b>Gross profit</b>		2,707,196	1,792,878
Administrative expenses		(1,014,829)	(1,114,227)
Other operating income		257,897	373,924
<b>Operating profit</b>	<b>4</b>	1,950,264	1,052,575
Interest receivable and similar income	<b>7</b>	233	4,262
Interest payable and similar expenses	<b>8</b>	(435)	(9,799)
<b>Profit before taxation</b>		1,950,062	1,047,038
Tax on profit	<b>9</b>	(613,738)	2,748
<b>Profit for the financial year</b>		1,336,324	1,049,786
Retained earnings brought forward		6,595,242	6,345,456
Dividends	<b>10</b>	(1,100,000)	(800,000)
Retained earnings carried forward		6,831,566	6,595,242

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

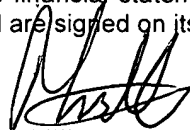
# CROWLAND CRANES LTD

## BALANCE SHEET

AS AT 31 OCTOBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	12	6,524,980		5,155,705	
Investments	13	1		1	
		<u>6,524,981</u>		<u>5,155,706</u>	
<b>Current assets</b>					
Stocks	15	1,035,282		819,937	
Debtors	16	1,402,683		1,113,086	
Cash at bank and in hand		2,140,542		2,096,689	
		<u>4,578,507</u>		<u>4,029,712</u>	
<b>Creditors: amounts falling due within one year</b>	17	(2,079,686)		(1,374,724)	
<b>Net current assets</b>		<u>2,498,821</u>		<u>2,654,988</u>	
<b>Total assets less current liabilities</b>		<u>9,023,802</u>		<u>7,810,694</u>	
<b>Creditors: amounts falling due after more than one year</b>	18	(756,810)		(383,362)	
<b>Provisions for liabilities</b>					
Deferred tax liability	20	1,425,426		822,090	
		<u>(1,425,426)</u>		<u>(822,090)</u>	
<b>Net assets</b>		<u>6,841,566</u>		<u>6,605,242</u>	
<b>Capital and reserves</b>					
Called up share capital	23	10,000		10,000	
Profit and loss reserves		6,831,566		6,595,242	
<b>Total equity</b>		<u>6,841,566</u>		<u>6,605,242</u>	

The financial statements were approved by the board of directors and authorised for issue on .....28/10/2022  
and are signed on its behalf by:



P J Issitt  
Director

Company Registration No. 03053963

# **CROWLAND CRANES LTD**

## **NOTES TO THE FINANCIAL STATEMENTS**

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

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#### **1 Accounting policies**

##### **Company information**

Crowland Cranes Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Crease Drove, Crowland, PE6 0BN.

##### **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. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Crowland Cranes (Holdings) Limited. These consolidated financial statements are available from the company's registered office at Crease Drove, Crowland, Peterborough, England, PE6 0BN.

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

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

##### **1.3 Turnover**

Turnover 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.

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 for the provision of services is recognised when it is probable that an economic benefit will flow to the entity and the revenue and costs can be reliably measured on a time apportioned basis.

# CROWLAND CRANES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

### 1 Accounting policies

(Continued)

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, 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 buildings	2% per annum of cost
Improvements to leasehold property	written off over lease term
Freehold land	nil
Plant and machinery	5%-10% per annum of written down value
Fixtures and fittings	30% per annum of written down value
Motor vehicles	25% per annum of written down value

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

#### 1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 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).

#### 1.7 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises the costs of goods sold and materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

#### 1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held with banks.

#### 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.

# CROWLAND CRANES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include trade and other 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.

#### **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.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, finance lease and hire purchase liabilities and loans from fellow group companies 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.

# CROWLAND CRANES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2021

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#### 1 Accounting policies

(Continued)

##### **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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### 1.11 Taxation

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

##### **Current tax**

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

##### **Deferred tax**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

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. The deferred tax balance has not been discounted.

#### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employees' services are received.

#### 1.13 Retirement benefits

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



# CROWLAND CRANES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

### 1 Accounting policies

(Continued)

#### 1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the asset's fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

#### 1.15 Government and other grants

Government and other 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.

Government and other grants receivable for the purchase of fixed assets are released to the Profit and Loss Account on a systematic basis over the useful economic life of the assets that have been acquired with the grant.

Grants receivable and not released to the Profit and Loss Account are treated as deferred income.

#### 1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 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.

# CROWLAND CRANES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 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

Depreciation is recognised to write off the cost or valuation of assets less their residual values over their useful lives at the rates detailed in Note 1.4. The provision for depreciation at the reporting end date was £1,548,201. Further detail of the amounts provided at the beginning and end of the period, together with the charge for the year is shown in Note 12.

### 3 Turnover and other revenue

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Crane sales, hire and repair	8,300,912	6,828,262
	<u>8,300,912</u>	<u>6,828,262</u>
	2021 £	2020 £
<b>Other significant revenue</b>		
Interest income	233	4,262
Government grants receivable and released to Profit and Loss account	144,336	272,923
Rental income	113,561	101,001
	<u>258,130</u>	<u>378,186</u>
	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
UK	8,257,098	6,440,648
Overseas	43,814	387,614
	<u>8,300,912</u>	<u>6,828,262</u>

### 4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(418)	25,795
Government grants receivable and released to Profit and Loss account	(144,336)	(272,923)
Fees payable to the company's auditor for the audit of the company's financial statements	11,550	8,250
Depreciation of owned tangible fixed assets	354,507	288,048
Depreciation of tangible fixed assets held under finance leases	6,791	41,986
Loss on disposal of tangible fixed assets	127,825	74,262
Operating lease charges	119,583	134,499
	<u>465,412</u>	<u>269,917</u>

# CROWLAND CRANES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

### 5 Employees

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

	2021 Number	2020 Number
Management and administration	4	5
Production	58	58
Total	62	63

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	2,168,115	2,056,276
Social security costs	230,282	218,326
Pension costs	85,655	83,408
	2,484,052	2,358,010

### 6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	19,066	18,939

The number of directors for whom retirement benefits are accruing under defined contribution pension schemes amounted to 2 (2020 - 2).

### 7 Interest receivable and similar income

	2021 £	2020 £
<b>Interest income</b>		
Interest on bank deposits	233	3,896
Other interest income	-	366
Total income	233	4,262

### 8 Interest payable and similar expenses

	2021 £	2020 £
Interest on finance leases and hire purchase contracts	435	9,799

# CROWLAND CRANES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

### 9 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	54,186	121,000
Adjustments in respect of prior periods	(43,784)	-
Total current tax	10,402	121,000
<b>Deferred tax</b>		
Origination and reversal of timing differences	603,336	(123,748)
Total tax charge/(credit)	613,738	(2,748)

The actual charge/(credit) 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	1,950,062	1,047,038
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	370,512	198,937
Tax effect of expenses that are not deductible in determining taxable profit	(340)	1,385
Gains not taxable	965	-
Adjustments in respect of prior years	(43,784)	-
Effect of change in corporation tax rate	342,102	-
Group relief	-	(203,901)
Permanent capital allowances in excess of depreciation	(56,287)	594
Depreciation on assets not qualifying for tax allowances	570	237
Taxation charge/(credit) for the year	613,738	(2,748)

### 10 Dividends

	2021 £	2020 £
Interim paid to parent company	1,100,000	800,000

# CROWLAND CRANES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

### 11 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 November 2020 and 31 October 2021	1,500
<b>Amortisation and impairment</b>	
At 1 November 2020 and 31 October 2021	1,500
<b>Carrying amount</b>	
At 31 October 2021	-
At 31 October 2020	-

### 12 Tangible fixed assets

	Freehold land and buildings	Improvements to leasehold property	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 November 2020	786,145	4,140	5,301,791	167,055	460,368	6,719,499
Additions	-	-	2,270,877	-	93,625	2,364,502
Disposals	-	-	(965,823)	(13,620)	(31,377)	(1,010,820)
At 31 October 2021	786,145	4,140	6,606,845	153,435	522,616	8,073,181
<b>Depreciation and impairment</b>						
At 1 November 2020	1,250	4,140	1,236,621	66,929	254,854	1,563,794
Depreciation charged in the year	3,000	-	267,892	29,364	61,042	361,298
Eliminated in respect of disposals	-	-	(339,578)	(11,229)	(26,084)	(376,891)
At 31 October 2021	4,250	4,140	1,164,935	85,064	289,812	1,548,201
<b>Carrying amount</b>						
At 31 October 2021	781,895	-	5,441,910	68,371	232,804	6,524,980
At 31 October 2020	784,895	-	4,065,170	100,126	205,514	5,155,705

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

	2021 £	2020 £
Plant and machinery	808,166	733,245

# CROWLAND CRANES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

### 13 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	14	1	1

#### Fixed asset investments not carried at market value

The investments are shown in the accounts at historical cost and represent the share held in Universal Cranes Limited, which is a wholly owned subsidiary of Crowland Cranes Limited.

### 14 Subsidiaries

Details of the company's subsidiaries at 31 October 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Universal Cranes Limited	United Kingdom	Ordinary	100.00

### 15 Stocks

	2021 £	2020 £
Stock of parts and cranes for resale	1,035,282	819,937

### 16 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,029,440	1,029,695
Corporation tax recoverable	179,149	-
Other debtors	105,661	7,761
Prepayments and accrued income	88,433	75,630
	<u>1,402,683</u>	<u>1,113,086</u>

# CROWLAND CRANES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

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

	Notes	2021 £	2020 £
Obligations under hire purchase and finance leases	19	94,615	49,390
Trade creditors		1,174,870	184,323
Amounts owed to group undertakings		623,662	534,301
Corporation tax		-	42,737
Other taxation and social security		52,081	313,240
Other creditors		34,515	11,998
Accruals and deferred income		99,943	238,735
		<u>2,079,686</u>	<u>1,374,724</u>

Obligations under hire purchase and finance leases are secured on the related asset.

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

	Notes	2021 £	2020 £
Obligations under hire purchase and finance leases	19	378,462	-
Deferred income	21	378,348	383,362
		<u>756,810</u>	<u>383,362</u>

Obligations under hire purchase and finance leases are secured on the related asset.

### 19 Hire purchase and finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under hire purchase and finance leases:		
Within one year	94,615	49,390
In two to five years	378,462	-
	<u>473,077</u>	<u>49,390</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term remaining is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

# CROWLAND CRANES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

### 20 Deferred taxation

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

	Liabilities 2021 £	Liabilities 2020 £
<b>Balances:</b>		
Accelerated capital allowances	1,425,426	822,090
<b>Movements in the year:</b>		2021 £
Liability at 1 November 2020		822,090
Charge to profit or loss		603,336
Liability at 31 October 2021		1,425,426

Within the charge to profit or loss, an amount of £342,102 relates to the increase in the rate of deferred tax from 19% to 25%.

### 21 Government and other grants

	2021 £	2020 £
Deferred government and other grants	378,348	383,362
	378,348	383,362
Deferred income is included in the financial statements as follows:		
	2021 £	2020 £
Non-current liabilities (note 18)	378,348	383,362
	378,348	383,362



# CROWLAND CRANES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

### 22 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution pension schemes		
Charge to profit or loss in respect of defined contribution schemes	85,655	83,408

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.

### 23 Share capital

	2021	2020
	£	£
Ordinary share capital Issued and fully paid 10,000 Ordinary shares of £1 each	10,000	10,000

### 24 Operating lease commitments

#### Lessee

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

	2021	2020
	£	£
Within one year	64,226	118,226
Between two and five years	123,065	47,291
	187,291	165,517

### 25 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2021	2020
	£	£
Acquisition of tangible fixed assets	-	1,381,156

# CROWLAND CRANES LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

### 26 Related party transactions

The following amounts were outstanding at the reporting end date:

	2021	2020
	£	£
<b>Amounts due to related parties</b>		
Entities with control, joint control or significant influence over the company	100,000	10,639
Entities over which the entity has control, joint control or significant influence	523,662	523,662
Other related parties	-	31,200
	<u>          </u>	<u>          </u>

No interest is charged on the above amounts.

	£	£
<b>Amounts due from related parties</b>		
Other related parties	40,762	45,594
	<u>          </u>	<u>          </u>

The company has taken advantage of the FRS 102 exemption not to disclose transactions with members of a wholly owned group.

During the year, work was carried out for TMC Lifting Supplies, a partnership owned by the two directors. The value of this work amounted to £120,091 (2020 : £116,431) and normal terms of business were applied. Costs recharged from TMC Lifting Supplies in the year amounted to £88,315 (2020 : £111,577).

During the year, a market rent of £63,000 (2020 : £63,000) was paid to the Trustees of Thorney Machinery Self - Invested Pension Scheme. This is a pension scheme in which the company directors are members. Property improvement costs totalling £0 (2020 : £5,536) were recharged to the pension scheme during the year.

During the year a market rent of £56,583 (2020 : £52,000) was payable to a Small Self Administered Pension Scheme, P & J SSAS, set up for the benefit of the company's directors, P J Issitt and J M Issitt. Property improvement costs totalling £64,900 (2020 : £0) were recharged to the pension scheme during the year.

### 27 Directors' transactions

At 31 October 2021, the company owed its directors £4,435 (2020 : £4,888). No interest is charged to the company by the directors.

### 28 Ultimate controlling party

The company is a wholly-owned subsidiary of Crowland Cranes (Holdings) Limited, which is the parent undertaking. Crowland Cranes (Holdings) Limited prepare consolidated accounts which are available from Crease Drove, Crowland, Peterborough, PE6 0BN.

Ultimate ownership of the company remains with Mr P J Issitt and Mrs J M Issitt.