

Registered number: 03859070

# **TVH U.K. LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**Introduction**

The directors present their Strategic Report and the financial statements for the year ended 30 September 2021

**Business review and future prospects**

The directors are satisfied with the trading performance of the company during the year in the context of the trading environment it is operating in and are optimistic that the company will continue to trade at similar levels in the forthcoming year.

**Principal risks and uncertainties**

The principal risks and uncertainties affecting the company include the state of the markets in which it operates and the competitive pressures of those markets, as well as the strength of its relationships with major suppliers and customers and the ability to recruit, retain and motivate key employees.

In developing its strategy and plans, TVH UK Ltd takes full account of the need to minimise the impact of the risk associated with its business.

Ongoing the directors continue to monitor the impact of the UK's exit from the EU on the business.

**Financial risk management**

**Summary**

The company's operations expose it to a variety of financial risks including the effects of foreign currency exchange risks, credit risks and liquidity risks.

**Foreign currency risk**

The company is exposed in its trading operations to the risk of changes in foreign currency exchange rates. As the both buys and sells goods worldwide, the overall risk is not significant. The main foreign currencies which the company operates is Euro and USD.

**Credit risk**

The company's principal financial assets are bank balances and trade debtors which represents the company's maximum exposure to credit risk in relation to financial assets.

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending on their credit rating. The amounts presented in the Statement Of Financial Position are net of allowances for doubtful debts, estimated by the company's management based on prior experience and their assessment of the current economic environment.

**Liquidity risk**

The company's policy has been to ensure the continuity of funding through its trading activities

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TVH U.K. LIMITED

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**Financial key performance indicators**

The key financial performance indicator is deemed to be turnover, which has increased from £36.5m in 2020 to £56m in 2021.

Other key performance indicators are gross profit, which has increased from £6.2m to £11.2m and operating profit, which has increased from £984k to £1.1m

A significant portion of this increase is due to the transfer of trade from Bepco UK Limited to TVH UK Limited.

**Company employees**

The company regards the interest and wellbeing of its employees as a very serious matter and to this end has put in place a number of projects to engage with all employees within the group to further their prospects, advancement and social interaction.

**Community and environment**

TVH has undertaken a number of projects to help the local environment, recycling and energy saving operations being the most notable.

TVH has also taken an active part in participating in the local community by engaging with local amateur sports clubs.

**Anti-corruption and anti-bribery**

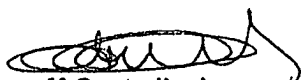
The company is committed to conducting its operations in a socially responsible manner and will not tolerate any form of bribery or corruption from its employees, suppliers or any other parties. The company conducts its business with honesty and integrity and expects all of the employees to maintain high standards.

**Directors' statement of compliance with duty to promote the success of the Company**

The directors in the performance of their duties during the year have acted in good faith to promote the success of the Company for the benefit of the members, while having regard to the impact of our operations on the wider community and our stakeholders. The directors understand the business and the environment in which it operates and this is key when considering the likely consequences of any long term decisions.

This report was approved by the board on 6 July 2022

and signed on its behalf.



**M Oosterlinck  
Director**

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**TVH U.K. LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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The directors present their report and the financial statements for the year ended 30 September 2021.

**Principal activity**

The principal activity of the company is as an agent involved in the sale of spares and parts for forklift trucks and other light plant.

**Results and dividends**

The profit for the year, after taxation, amounted to £398,979 (2020 - £734,321).

The directors did not recommend payment of a dividend (2020: £Nil).

**Directors**

The directors who served during the year were:

D J Valcke  
M Oosterlinck  
J T Percy (appointed 5 February 2021)

**Going concern**

The directors recognise that current events in relation to Covid-19 are unprecedented and there may be a long term impact on the company's business and the wider economy.

The directors have considered the company's current and future prospects and the availability of finance and are satisfied that the company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. Confirmation has been obtained from the immediate parent company, TVH Parts Holding NV, that they will provide financial support as requested, to enable the company to meet all its obligations, for a period of at least 12 months from the date of approval of these financial statements.

Based on the above, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the company has more than sufficient resources and available facilities to continue in existence for the foreseeable future.

For this reason, the directors consider that the adoption of the going concern basis in preparing the financial statements is appropriate.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

**Matters covered in the strategic report**

A review of the business, principal risks and uncertainties and key performance indicators have been included in the strategic report.

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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**TVH U.K. LIMITED**

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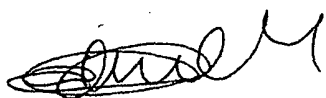
**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**Auditor**

The auditor, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 6 July 2022 and signed on its behalf.



**M Oosterlinck  
Director**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TVH U.K. LIMITED**

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**Opinion**

We have audited the financial statements of TVH U.K. Limited (the 'Company') for the year ended 30 September 2021, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 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 United Kingdom, including the Financial Reporting Council'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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TVH U.K. LIMITED (CONTINUED)**

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**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.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the 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.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 4, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TVH U.K. LIMITED (CONTINUED)**

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**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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- A review of legal and professional expense nominal accounts for any indications of non-compliance with laws and regulations;
- Reviewing minutes of meetings and those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.



Martin Ramsey BSc (Hons) FCCA (Senior statutory auditor)  
for and on behalf of

**MHA MacIntyre Hudson, Statutory auditors**  
Birmingham, United Kingdom

Date: 12/7/22

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**TVH U.K. LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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	Note	2021 £	2020 £
Turnover	4	56,072,523	36,531,314
Cost of sales		(44,802,860)	(30,339,307)
<b>Gross profit</b>		<b>11,269,663</b>	<b>6,192,007</b>
Administrative expenses		(10,484,575)	(5,276,606)
Other operating income	5	381,087	68,311
<b>Operating profit</b>	6	<b>1,166,175</b>	<b>983,712</b>
Interest receivable and similar income	10	3,837	981
Interest payable and similar expenses	11	(116,235)	(80,185)
<b>Profit before tax</b>		<b>1,053,777</b>	<b>904,508</b>
Tax on profit	12	(654,798)	(170,187)
<b>Profit for the financial year</b>		<b>398,979</b>	<b>734,321</b>

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 13 to 26 form part of these financial statements.

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TVH U.K. LIMITED  
REGISTERED NUMBER: 03859070

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**STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2021**

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	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	13	3,951,667	-
Tangible assets	14	1,453,042	1,412,967
		<u>5,404,709</u>	<u>1,412,967</u>
<b>Current assets</b>			
Stocks	15	12,125,082	6,330,761
Debtors: amounts falling due within one year	16	15,095,690	12,370,966
		<u>27,220,772</u>	<u>18,701,727</u>
Creditors: amounts falling due within one year	17	(29,877,179)	(17,640,245)
<b>Net current (liabilities)/assets</b>		<u>(2,656,407)</u>	<u>1,061,482</u>
<b>Total assets less current liabilities</b>		<u>2,748,302</u>	<u>2,474,449</u>
<b>Provisions for liabilities</b>			
Deferred tax	18	(91,885)	(217,011)
<b>Net assets</b>		<u><u>2,656,417</u></u>	<u><u>2,257,438</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	1,000,000	1,000,000
Profit and loss account	20	1,656,417	1,257,438
		<u><u>2,656,417</u></u>	<u><u>2,257,438</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
6 July 2022



**M Oosterlinck**  
Director

The notes on pages 13 to 26 form part of these financial statements.

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**TVH U.K. LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 October 2020	1,000,000	1,257,438	2,257,438
<b>Comprehensive income for the year</b>			
Profit for the year	-	398,979	398,979
<b>At 30 September 2021</b>	<b>1,000,000</b>	<b>1,656,417</b>	<b>2,656,417</b>

The notes on pages 13 to 26 form part of these financial statements.

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**TVH U.K. LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 October 2019	1,000,000	523,117	1,523,117
<b>Comprehensive income for the year</b>			
Profit for the year	-	734,321	734,321
<b>At 30 September 2020</b>	<b>1,000,000</b>	<b>1,257,438</b>	<b>2,257,438</b>

The notes on pages 13 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**1. General information**

TVH U.K. Limited is a private company limited by shares and incorporated in England and Wales registered to 2 Zortech Avenue, Kidderminster, DY11 7DY.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of TVH Parts Holding NV as at 30 September 2021 and these financial statements may be obtained from Brabanstraat 15, 8790 Waregem, Belgium.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**2. Accounting policies (continued)**

**2.3 Going concern**

The directors recognise that current events in relation to Covid-19 are unprecedented and there may be a long term impact on the company's business and the wider economy.

The directors have considered the company's current and future prospects and the availability of finance and are satisfied that the company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. Confirmation has been obtained from the immediate parent company, TVH Parts Holding NV, that they will provide financial support as requested, to enable the company to meet all its obligations, for a period of at least 12 months from the date of approval of these financial statements.

Based on the above, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the company has more than sufficient resources and available facilities to continue in existence for the foreseeable future.

For this reason, the directors consider that the adoption of the going concern basis in preparing the financial statements is appropriate.

**2.4 Revenue**

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

**Sale of goods**

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

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

**2.5 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.6 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**2. Accounting policies (continued)**

**2.7 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.8 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life of 5 years.

**2.9 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**2. Accounting policies (continued)**

**2.9 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	4%
Plant and machinery	-	10% -20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.10 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**2.11 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**2. Accounting policies (continued)**

**2.12 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.13 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.14 Provisions for liabilities**

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

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**2.15 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

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

**2.16 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

**2.17 Operating leases**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

**Stocks**

Certain factors could affect the realisable value of the Company's stocks, including customer demand and market conditions. The company considers historic usage, expected demand, anticipated sales price, product obsolescence and other factors when evaluating the value of stock.

**4. Turnover**

Turnover is attributable to the one principle activity of the company.

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	52,332,714	33,805,002
Rest of Europe	3,438,546	2,726,312
Rest of the world	301,263	-
	<u>56,072,523</u>	<u>36,531,314</u>

**5. Other operating income**

	2021 £	2020 £
Recharges to group entities	321,087	-
Commissions receivable	60,000	68,311
	<u>381,087</u>	<u>68,311</u>

Recharges to group entities are in respect of sales support services provided to Bepco UK Limited.

Commission is received for the provision of sales support services provided by the company to TVH Parts NV and Rentaclamp (Coventry) Limited.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**6. Operating profit**

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	206,496	162,146
Exchange differences	452,447	27,674
Other operating lease rentals	162,473	78,403
Amortisation of intangible fixed assets	790,333	-

**7. Auditor's remuneration**

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	23,000	16,000

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	3,860,703	1,470,399
Social security costs	403,552	172,600
Cost of defined contribution scheme	189,589	71,699
	4,453,844	1,714,698

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Sales and administrative staff	99	36

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**9. Directors' remuneration**

	2021 £	2020 £
Directors' emoluments	65,447	-
Cost of defined pension contribution scheme	2,609	-
	<u>68,056</u>	<u>-</u>

During the year retirement benefits were accruing to 1 director (2020 - NIL) in respect of defined contribution pension schemes.

**10. Interest receivable**

	2021 £	2020 £
Other interest receivable	<u>3,837</u>	<u>981</u>

**11. Interest payable and similar expenses**

	2021 £	2020 £
Bank interest payable	<u>116,235</u>	<u>80,185</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**
**12. Taxation**

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	351,614	-
Adjustments in respect of previous periods	-	(11,869)
Group taxation relief	428,310	12,255
<b>Total current tax</b>	<u>779,924</u>	<u>386</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(125,126)	165,914
Changes to tax rates	-	5,379
Adjustments in respect of previous periods	-	(1,492)
<b>Total deferred tax</b>	<u>(125,126)</u>	<u>169,801</u>
<b>Taxation on profit on ordinary activities</b>	<u><u>654,798</u></u>	<u><u>170,187</u></u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>1,053,777</u>	<u>904,508</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	200,218	171,857
<b>Effects of:</b>		
Expenses not deductible for tax purposes	4,218	2,157
Adjustments to tax charge in respect of prior periods - current tax	-	(11,869)
Adjustments to tax charge in respect of prior periods - deferred tax	-	(1,492)
Remeasurement of deferred tax for changes in tax rates	22,052	9,534
Group relief claimed	-	(12,255)
Payment for group relief	428,310	12,255
<b>Total tax charge for the year</b>	<u><u>654,798</u></u>	<u><u>170,187</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**12. Taxation (continued)****Factors that may affect future tax charges**

In the spring budget 2021, the UK Government announced that the UK corporation tax rate would increase to 25% with effect from 1 April 2023, the effects of which are immaterial in the current period.

**13. Intangible assets**

	<b>Goodwill £</b>
<b>Cost</b>	
Additions	4,742,000
At 30 September 2021	<u>4,742,000</u>
<b>Amortisation</b>	
Charge for the year	790,333
At 30 September 2021	<u>790,333</u>
<b>Net book value</b>	
At 30 September 2021	<u><u>3,951,667</u></u>
At 30 September 2020	<u><u>-</u></u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**
**14. Tangible fixed assets**

	Freehold property £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 October 2020	556,437	1,446,568	2,003,005
Additions	-	250,571	250,571
Disposals	-	(10,000)	(10,000)
At 30 September 2021	<u>556,437</u>	<u>1,687,139</u>	<u>2,243,576</u>
<b>Depreciation</b>			
At 1 October 2020	320,269	269,769	590,038
Charge for the year	22,310	184,186	206,496
Disposals	-	(6,000)	(6,000)
At 30 September 2021	<u>342,579</u>	<u>447,955</u>	<u>790,534</u>
<b>Net book value</b>			
At 30 September 2021	<u>213,858</u>	<u>1,239,184</u>	<u>1,453,042</u>
At 30 September 2020	<u>236,168</u>	<u>1,176,799</u>	<u>1,412,967</u>

**15. Stocks**

	2021 £	2020 £
Finished goods and goods for resale	<u>12,125,082</u>	<u>6,330,761</u>

An impairment loss of £1,982,171 (2020: £229,246) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

The difference between purchase price or production cost of stocks and their replacement cost is not material.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**16. Debtors**

	2021 £	2020 £
Trade debtors	11,116,591	7,190,125
Amounts owed by group undertakings	3,746,958	5,126,266
Other debtors	2,353	-
Prepayments and accrued income	229,788	54,575
	<u>15,095,690</u>	<u>12,370,966</u>

Amounts owed by group undertakings are repayable on demand, unsecured and do not attract interest.

**17. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Trade creditors	2,146,540	844,062
Amounts owed to group undertakings	27,002,375	12,697,250
Corporation tax	351,614	-
Other taxation and social security	136,067	1,556,384
Other creditors	116,949	-
Accruals and deferred income	123,634	2,542,549
	<u>29,877,179</u>	<u>17,640,245</u>

Amounts owed to group undertakings are repayable on demand, unsecured and do not attract interest.

**18. Deferred taxation**

	2021 £
At beginning of year	(217,011)
Charged to profit or loss	125,126
<b>At end of year</b>	<u><u>(91,885)</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**18. Deferred taxation (continued)**

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(106,030)	(219,236)
Short term timing differences	14,145	2,225
	<u>(91,885)</u>	<u>(217,011)</u>

**19. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
1,000,000 (2020 - 1,000,000) Ordinary shares of £1.00 each	<u>1,000,000</u>	<u>1,000,000</u>

**20. Reserves**

**Profit and loss account**

Includes all current and prior period retained profits and losses, net of dividends paid.

**21. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £186,980 (2020 - £71,699). Contributions totalling £56,577 (2020 - £11,713) were payable to the fund at the reporting date and are included in creditors.

**22. Commitments under operating leases**

At 30 September 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	112,968	112,968
Later than 1 year and not later than 5 years	343,298	343,298
	<u>456,266</u>	<u>456,266</u>

**NOTES TO THE FINANCIAL STATEMENTS  
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**23. Immediate parent and ultimate controlling party**

The immediate parent undertaking of the Company is TVH Parts Holding NV incorporated in Belgium. TVH Parts Holding NV is this Company's controlling party by virtue of 100% ownership of the issued share capital. The ultimate parent undertaking is Quertus Group S.a.r.l, incorporated in Luxembourg. There is no overall controlling party of Quertus Group S.a.r.l as no one party holds more than 50% of the issued share capital.