

Registered number: 03859070

TVH U.K. LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022



TVH U.K. LIMITED

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TVH U.K. LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

Introduction

The directors present their Strategic Report and the financial statements for the year ended 30 September 2022.

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 U.K. Limited (TVH) takes full account of the need to minimise the impact of the risk associated with its business.

As previously, 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 company both buys and sells goods worldwide, the overall risk is not significant. The main foreign currencies which the company operates in are 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.

TVH U.K. LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Financial key performance indicators

The key financial performance indicator is deemed to be turnover, which has increased from £56m in 2021 to £66m in 2022.

Other key performance indicators are gross profit, which has increased from £11.3m to £12.9m and operating profit, which has increased from £1.2m to £2.3m.

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 27/06/2023

and signed on its behalf.



M Oosterlinck
Director

TVH U.K. LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The directors present their report and the financial statements for the year ended 30 September 2022.

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 £1,350,269 (2021 - £398,979).

The directors did not recommend payment of a dividend (2021: £Nil).

Directors

The directors who served during the year were:

D J Valcke
M Oosterlinck
J T Percy

Going concern

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 parent company, TVH Parts 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 judgment 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 2022

Streamlined energy and carbon reporting**2022 SECR Results**

Large unquoted companies are obliged to report their UK energy use and associated greenhouse gas emissions, relating to gas, electricity and transport fuel, as well as an intensity ratio and information relating to energy efficient action, through their annual reports. The 2022 Government emission conversion factors for greenhouse gas company reporting have been used.

	2022	2021
	tCO₂e	tCO₂e
Energy source		
Natural gas	40.81	68.18
Electricity	108.73	129.75
Transport	171.54	175.86
Total	321.08	373.79
Employees	145	99
tCO ₂ e per employee	2.21	3.78

Methodology

Data collected as part of our energy management system in accordance with 2022 UK government's greenhouse gas conversion factors for company reporting. The data collection utilises actual kWh based on 12 months usage.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per employee.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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.

Auditor

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA.

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

TVH U.K. LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

This report was approved by the board on 27/06/2023

and signed on its behalf.



**M Oosterlinck
Director**

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

Opinion

We have audited the financial statements of TVH U.K. Limited (the 'Company') for the year ended 30 September 2022, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including 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 2022 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)

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 5, 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)

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 regulation;
- Reviewing minutes of meetings and those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of larger or otherwise unusual journal entries and other adjustments of appropriateness;
- Review of cashbook for evidence of larger and unusual payments; and
- Reviewing significant accounting estimates and areas of judgment and assessing their reasonableness.

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.

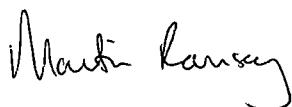
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

TVH U.K. LIMITED

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

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, Statutory auditor
Birmingham, United Kingdom
Date: 29 June 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

TVH U.K. LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	65,627,322	56,072,523
Cost of sales		(52,750,462)	(44,802,860)
Gross profit		12,876,860	11,269,663
Administrative expenses		(11,650,318)	(10,484,575)
Other operating income	5	1,027,674	381,087
Operating profit	6	2,254,216	1,166,175
Interest receivable and similar income	10	34,135	3,837
Interest payable and similar expenses	11	(280,053)	(116,235)
Profit before tax		2,008,298	1,053,777
Tax on profit	12	(658,029)	(654,798)
Profit for the financial year		1,350,269	398,979

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 15 to 28 form part of these financial statements.

TVH U.K. LIMITED
REGISTERED NUMBER: 03859070

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	3,003,270	3,951,667
Tangible assets	14	1,243,244	1,453,042
		<u>4,246,514</u>	<u>5,404,709</u>
Current assets			
Stocks	15	13,832,615	12,125,082
Debtors: amounts falling due within one year	16	15,319,088	15,095,690
		<u>29,151,703</u>	<u>27,220,772</u>
Creditors: amounts falling due within one year	17	(29,115,392)	(29,877,179)
Net current assets/(liabilities)		<u>36,311</u>	<u>(2,656,407)</u>
Total assets less current liabilities		<u>4,282,825</u>	<u>2,748,302</u>
Provisions for liabilities			
Deferred tax	18	(276,139)	(91,885)
Net assets		<u>4,006,686</u>	<u>2,656,417</u>
Capital and reserves			
Called up share capital	19	1,000,000	1,000,000
Profit and loss account	20	3,006,686	1,656,417
		<u>4,006,686</u>	<u>2,656,417</u>

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

27/06/2023


M Oosterlinck
Director

The notes on pages 15 to 28 form part of these financial statements.

TVH U.K. LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2021	1,000,000	1,656,417	2,656,417
Comprehensive income for the year			
Profit for the year	-	1,350,269	1,350,269
At 30 September 2022	1,000,000	3,006,686	4,006,686

The notes on pages 15 to 28 form part of these financial statements.

TVH U.K. LIMITED

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

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

The notes on pages 15 to 28 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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 2022 and these financial statements may be obtained from Brabanstraat 15, 8790 Waregem, Belgium.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.3 Going concern

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 parent company, TVH Parts 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 judgment 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 2022**

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 reporting 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 2022**

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 2022**

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 reporting 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgments 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 principal activity of the company.

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	61,733,746	52,332,714
Rest of Europe	3,749,282	3,438,546
Rest of the world	144,294	301,263
	<u>65,627,322</u>	<u>56,072,523</u>

5. Other operating income

	2022 £	2021 £
Recharges to group entities	997,674	321,087
Commissions receivable	30,000	60,000
	<u>1,027,674</u>	<u>381,087</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 2022**

6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	233,104	206,496
Exchange differences	874,642	452,447
Other operating lease rentals	140,260	162,473
Amortisation of intangible fixed assets	948,397	790,333
	<u>2,196,403</u>	<u>1,551,749</u>

7. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	27,840	23,000
	<u>27,840</u>	<u>23,000</u>

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:

	2022 £	2021 £
Wages and salaries	5,246,617	3,860,703
Social security costs	570,127	403,552
Cost of defined contribution scheme	183,024	189,589
	<u>5,999,768</u>	<u>4,453,844</u>

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

	2022 No.	2021 No.
Sales and administrative staff	145	99
	<u>145</u>	<u>99</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	220,564	65,447
Company contributions to defined contribution pension schemes	5,281	2,609
	<u>225,845</u>	<u>68,056</u>

During the year retirement benefits were accruing to 1 director (2021 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £220,564 (2021 - £65,447).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,281 (2021 - £2,609).

10. Interest receivable

	2022 £	2021 £
Other interest receivable	<u>34,135</u>	<u>3,837</u>

11. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	<u>280,053</u>	<u>116,235</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

12. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	472,287	351,614
Adjustments in respect of previous periods	1,488	-
Group taxation relief	-	428,310
Total current tax	<u>473,775</u>	<u>779,924</u>
Deferred tax		
Origination and reversal of timing differences	184,254	(125,126)
Total deferred tax	<u>184,254</u>	<u>(125,126)</u>
Taxation on profit on ordinary activities	<u><u>658,029</u></u>	<u><u>654,798</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>2,008,298</u>	<u>1,053,777</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	381,577	200,218
Effects of:		
Expenses not deductible for tax purposes	5,079	4,218
Remeasurement of deferred tax for changes in tax rates	(59,966)	22,052
Payment for group relief	-	428,310
Adjustments to tax charge in respect of prior periods	1,488	-
Fixed asset differences	(108,185)	-
Other differences leading to an increase (decrease) in the tax charge	3,353	-
Movement in deferred tax not recognised	434,683	-
Total tax charge for the year	<u><u>658,029</u></u>	<u><u>654,798</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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.

13. Intangible assets

	Goodwill £
Cost	
At 1 October 2021	4,742,000
At 30 September 2022	<u>4,742,000</u>
Amortisation	
At 1 October 2021	790,333
Charge for the year	948,397
At 30 September 2022	<u>1,738,730</u>
Net book value	
At 30 September 2022	<u>3,003,270</u>
At 30 September 2021	<u>3,951,667</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

14. Tangible fixed assets

	Freehold property £	Plant and machinery £	Total £
Cost			
At 1 October 2021	556,437	1,687,139	2,243,576
Additions	-	124,861	124,861
Disposals	(447,390)	(110,109)	(557,499)
At 30 September 2022	109,047	1,701,891	1,810,938
Depreciation			
At 1 October 2021	342,579	447,955	790,534
Charge for the year	16,328	216,976	233,304
Disposals	(346,035)	(110,109)	(456,144)
At 30 September 2022	12,872	554,822	567,694
Net book value			
At 30 September 2022	96,175	1,147,069	1,243,244
At 30 September 2021	213,858	1,239,184	1,453,042

15. Stocks

	2022 £	2021 £
Finished goods and goods for resale	13,832,615	12,125,082

An impairment loss of £2,793,784 (2021: £1,982,171) 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.

TVH U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

16. Debtors

	2022 £	2021 £
Trade debtors	11,613,981	11,116,591
Amounts owed by group undertakings	3,525,100	3,746,958
Other debtors	1,686	2,353
Prepayments and accrued income	178,321	229,788
	<u>15,319,088</u>	<u>15,095,690</u>

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

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	2,255,428	2,146,540
Amounts owed to group undertakings	24,691,710	27,002,375
Corporation tax	778,776	351,614
Other taxation and social security	893,007	136,067
Other creditors	145,835	116,949
Accruals and deferred income	350,636	123,634
	<u>29,115,392</u>	<u>29,877,179</u>

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

18. Deferred taxation

	2022 £
At beginning of year	(91,885)
Charged to profit or loss	(184,254)
At end of year	<u>(276,139)</u>

TVH U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

18. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(276,817)	(106,030)
Short term timing differences	678	14,145
	<u>(276,139)</u>	<u>(91,885)</u>

19. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1,000,000 (2021 - 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 £183,024 (2021 - £189,589). Contributions totaling £2,711 (2021 - £56,577) were payable to the fund at the reporting date and are included in creditors.

22. Commitments under operating leases

At 30 September 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	151,836	112,968
Later than 1 year and not later than 5 years	140,423	343,298
	<u>292,259</u>	<u>456,266</u>

TVH U.K. LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

23. Related party transactions

The Company has taken advantage of the exemption available under section 33 Related Party Disclosures of FRS 102 to not disclose transactions with other wholly owned subsidiaries in the group.

24. 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 TVH Global NV, incorporated in Belgium. There is no overall controlling party of TVH Global NV as no one party holds more than 50% of the issued share capital.